

PROSPECTUS

Dated 27 February 2017

■ NikkoAM-StraitsTrading Asia ex Japan REIT ETF

DIRECTORY

MANAGER

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

TRUSTEE & REGISTRAR

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay #13-02, HSBC Building, Singapore 049320
Company Registration No. 194900022R

AUDITORS

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8 Cross Street, #17-00 PWC Building, Singapore 048424

INVESTMENT ADVISER TO THE MANAGER

SRE Capital Pte. Ltd.
1 Wallich Street, #15-01 Guoco Tower, Singapore 078881

SOLICITORS TO THE MANAGER

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

SOLICITORS TO THE TRUSTEE

Clifford Chance Pte Ltd
Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore 018982

CUSTODIAN

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central, Hong Kong

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF

IMPORTANT INFORMATION

This Prospectus describes and offers for sale in Singapore units in the NikkoAM-StraitsTrading Asia ex Japan REIT ETF (the “**Fund**”), a unit trust established under Singapore law by a trust deed dated 27 February 2017 (the “**Trust Deed**”) made between Nikko Asset Management Asia Limited (the “**Manager**”) and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”). You should be aware of certain risks relating to an investment in the Fund. See the section entitled “Risks” as described in paragraphs 45 and 46 of this Prospectus.

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index, or upon the Manager giving three (3) months’ prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index. Please refer to Section VI of this Prospectus for more information on the investment objective, focus and approach of the Fund.

An application has been made for the units of the Fund, called “**Units**” throughout this Prospectus, to be listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Units will be traded on the SGX-ST at market prices throughout the trading day. Market prices for Units may, however, be different from their net asset value (“**NAV**”). Listing for quotation of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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

The directors of the Manager (the “**Directors**”) collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Fund and the Manager, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

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

Unless otherwise stated, all terms not defined in this Prospectus have the same meanings as used in the Trust Deed.

You should direct all enquiries about the Fund to the Manager.

Personal Data Protection

You consent and acknowledge that any personal data provided to the Manager, the Trustee, the Custodian, the Registrar and/or such other appointed representatives, agents and/or service providers of the Manager 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 agents or Participating Dealers or otherwise collected by a Recipient or on behalf of a Recipient (by any person including but not limited to the Central Depository (Pte.) Limited) 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 Holders 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 and acknowledge to all such collection, use and disclosure on behalf of that third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (i) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (ii) related corporations of the Manager, the Trustee, the Custodian 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 their Data, withdraw your consent by giving notice in writing to the Manager, whether directly or through its appointed agents or the Participating Dealers. You should note that the Manager (in consultation with the Trustee) could deem a notice of withdrawal of consent submitted by a unitholder to be a request for redemption of all Units by such unitholder for cash.

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 Manager 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 Manager 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 Manager 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 Manager.

You acknowledge that if you fail to provide accurate and timely information, the Manager (in consultation with the Trustee) has 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 Manager may compulsorily redeem all or any of your Units in any of the circumstances set out in paragraph 141 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 Manager all necessary consents and/or waivers to permit the Manager 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 Manager.

You acknowledge that the Manager (in consultation with the Trustee) is entitled to take all necessary action determined by the Manager to be and remain compliant with FATCA as is required by law or other agreement by or between governments. You authorise the Manager 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 Manager (in consultation with the Trustee) shall have the right to determine and carry out any action which it considers 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 Manager reserves 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.

OVERVIEW OF THE NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF

The meanings of terms not defined in this section can be found in other sections of this Prospectus or in the Trust Deed.

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF

The Fund is a collective investment scheme authorised under Section 286 of the Securities and Futures Act and is established under the terms of a trust deed dated 27 February 2017 made between Nikko Asset Management Asia Limited as manager, and HSBC Institutional Trust Services (Singapore) Limited as trustee, of the Fund.

INVESTMENT OBJECTIVE, FOCUS AND APPROACH

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index (the “**Index**”), or upon the Manager giving three (3) months’ prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index.

The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Securities in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). Please refer to Section VI of this Prospectus for more information on the investment objective, focus and approach of the Fund.

The Fund is designed for investors who seek an “index-based” approach to investing in a portfolio of Asia ex Japan listed REIT or REIT-type securities in a cost effective and easy to access manner. Units may also be used as an asset allocation tool or as a trading instrument.

LISTING ON THE SGX-ST

An application has been made to the SGX-ST for permission to list and deal in and quote the Units. A listing on the SGX-ST is intended to provide benefits to investors not available in unlisted collective investment schemes. Unlike conventional unit trusts offered to the public in Singapore which are typically bought and sold only at closing NAV (which is unknown at the time of dealing), the Fund’s Units will be tradable on the SGX-ST throughout the trading day. Units will be quoted and traded on the SGX-ST in board lots of 100 Units.

Units will be transacted on the SGX-ST on a willing-buyer-willing-seller basis, and the trading in the Units will be in accordance with SGX-ST’s rules and guidelines governing the clearing and settlement of trades in securities.

If you acquire Units directly from a Participating Dealer, you may request the Participating Dealer to apply to the CDP for your Units to be entered against your name in the depository register in accordance with the CDP’s terms and conditions for the entering of off-market acquisitions of securities in its records.

TRADING PRICE OF UNITS INTENDED TO CLOSELY REFLECT NAV PER UNIT

You should note that the Fund is not like a conventional unit trust offered to the public in Singapore in that the creation and redemption of Units with the Manager are effected by or through Participating Dealers for the account of investors and/or for their own account and must be made in cash for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, at each Dealing Day’s NAV. If you wish to purchase or sell less than 50,000 Units, you will have to acquire or dispose of your Units through trading on the SGX-ST.

These features are (i) different from the features of conventional unit trusts where units can be purchased and redeemed by the investors for cash from the manager on each dealing day in comparatively smaller multiples of units and (ii) designed to protect investors from the adverse effects which arise from frequent cash subscription and redemption transactions that affect the NAV of conventional unit trusts and to help to keep the trading price of the Units close to the NAV of the Units.

THE MANAGER

The Manager, Nikko Asset Management Asia Limited, is part of the Nikko Asset Management group¹, a leading independent Asian investment management franchise. The Manager has managed collective investment schemes or discretionary funds in Singapore since 1982.

THE TRUSTEE

The Trustee, HSBC Institutional Trust Services (Singapore) Limited, is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited. The Trustee is a licensed trust company under the Trust Companies Act, Chapter 336 of Singapore.

CREATION AND REDEMPTION PROCEDURES

Units bought or sold on the SGX-ST will be transacted on a willing-buyer-willing-seller basis. It is expected that most of the trading activity in the Units is expected to occur on the SGX-ST. You may buy or sell Units on the SGX-ST through brokers in the same way as how you may buy or sell shares in companies listed on the SGX-ST.

Units that are bought on the SGX-ST must be paid for with cash.

¹ Nikko Asset Management group consists of Nikko Asset Management Co., Ltd. and its subsidiaries.

On every Cash Dealing Day, you may apply to the Registrar through the Participating Dealers for the issue of a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, by paying cash. The Issue Price for Units shall be determined in the manner described in paragraph 52 of this Prospectus.

Your request for subscription of Units must reach the Registrar through the Participating Dealers on or before the Dealing Deadline for the Cash Dealing Day (12 noon (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and the Manager shall give prior notification of the same to the Holders at such time and in such manner as the Trustee may require). If the request for subscription of Units is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day.

A request for redemption of Units to be settled in cash shall be for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or redemption amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee. The Redemption Price for Units shall be determined in the manner described in paragraph 64 of this Prospectus. A request for redemption of Units must reach the Registrar through the Participating Dealers on or before the Dealing Deadline for the Cash Dealing Day. If the request for redemption of Units is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day.

RISKS OF INVESTING IN THE FUND

You should note that there are risks involved in investing in the Units. You should carefully consider the risk factors described in paragraphs 45 and 46 of this Prospectus together with all of the other information included in this Prospectus before deciding whether to invest in Units.

The market price of Units and the NAV per Unit may fall or rise. There is no assurance that you will achieve a return on your investment in the Units or a return on capital invested.

Some or all of the principal risks described in this Prospectus may adversely affect the Fund's NAV, the Unit's Issue Price, Redemption Price, trading price, yield, total return and/or the ability of the Fund to meet its investment objective.

DISCLAIMER BY THE CURRENT LICENSOR PARTIES

The Units are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Group companies ("LSEG"), Euronext N.V. ("Euronext"), European Public Real Estate Association ("EPRA"), or the National Association of Real Estate Investment Trusts ("NAREIT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, none of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of LSEG, "NAREIT®" is a trade mark of the National Association of Real Estate Investment Trusts and "EPRA®" is a trade mark of EPRA and all are used by FTSE under licence.

INDICATIVE TIMETABLE*

Event	Indicative Timeline
Initial Offer Period commences	6 March 2017
Initial Offer Period closes (unless extended by the Manager)	21 March 2017
Listing date of the Units. Upon listing, Units may then be traded by investors holding such Units on the SGX-ST (i.e. commencement of trading of the Units on a “ready” basis)	Expected to be 9 a.m. on [29 March 2017] subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units on a “ready” basis have been fulfilled (unless the Initial Offer Period is extended in which case dealings on the SGX-ST will commence within 5 Business Days following the close of the Initial Offer Period).
Settlement date for all trades done on a “ready” basis on 29 March 2017	3 April 2017**

*This timetable is indicative only and is subject to change. All dates and times referred to above are Singapore dates and times.

**Investors should consult the SGX-ST announcement on the “ready” listing date on the SGX-ST website <http://www.sgx.com> or check with their brokers for the date on which trading on a “ready” basis will commence.

CLEARANCE AND SETTLEMENT

Introduction

The Units are listed, quoted and traded on the SGX-ST. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

The Units are traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within three (3) Market Days after the closing date for applications for the Units.

Clearance and Settlement under the Depository System

The Units will be registered in the name of CDP or its nominee and held by CDP or its nominee for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Holders in respect of the number of Units credited to their respective Securities Accounts. You should note that as long as the Units are listed on the SGX-ST, Units may not be withdrawn from the depository register kept by CDP.

Transactions in the Units under the book-entry settlement system will be reflected by the seller’s Securities Account being debited with the number of Units sold and the buyer’s Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance is given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

Clearing Fees

When dealing on the SGX-ST, you will typically not bear any costs related to the creation and redemption of Units. However, you will need to pay brokers’ commissions, clearing fees and other costs associated with dealing on the SGX-ST. These amounts are subject to your individual agreement with, and are paid directly by you to, your broker, the CDP and your other service providers.

Dealings in the Units will be carried out in SGD and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. You may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

**PROSPECTUS REQUIRED PURSUANT TO DIVISION 2
OF PART XIII OF THE SECURITIES AND FUTURES ACT,
CHAPTER 289 OF SINGAPORE**

The NikkoAM-StraitsTrading Asia ex Japan REIT ETF (the “**Fund**”) offered in this Prospectus is an authorised scheme under the Securities and Futures Act. A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, 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. The meanings of various terms and expressions used in this Prospectus which are not defined in this Prospectus can be found in the Trust Deed constituting the Fund.

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I BASIC INFORMATION

1. The authorised collective investment scheme offered pursuant to this Prospectus is the NikkoAM-StraitsTrading Asia ex Japan REIT ETF (the “Fund”). An application has been made for the Units to be listed on the SGX-ST. The Units will be traded on the SGX-ST in SGD under the SGX-ST counter name “NikkoAM-STC Asia REIT” and stock code which is to be confirmed by the SGX-ST² (or such other counter name or stock code as may be issued by the SGX-ST from time to time).
2. The date of registration of this Prospectus by the Authority is 27 February 2017. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 26 February 2018) and shall expire on 27 February 2018.
3. The Fund is constituted as a stand-alone unit trust in Singapore on 27 February 2017 pursuant to the trust deed dated 27 February 2017 (the “Trust Deed”) made between Nikko Asset Management Asia Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). You may inspect a copy of the Trust Deed at the business address of the Manager as indicated in paragraph 5 below.
4. When available, 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 Manager’s website at www.nikkoam.com.sg.

II THE MANAGER

5. The Manager is Nikko Asset Management Asia Limited (Company Registration No.: 198202562H). Its registered address and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Manager is licensed and regulated by the Authority. The Manager was incorporated on 11 July 1982 in Singapore. The Manager is part of the Nikko Asset Management group. As at 31 March 2016, the paid-up share capital of the Manager is S\$29,000,000. The Manager is responsible for investing the assets of the Fund in accordance with the Trust Deed.
6. The Manager has managed collective investment schemes or discretionary funds in Singapore since 1982. The Manager is not related to the current Index Licensor.
7. The other investment funds managed by the Manager include, but are not limited to, the following:

- (i) Nikko AM Shenton Japan Fund
- (ii) Nikko AM Shenton Thrift Fund
- (iii) Nikko AM Shenton Income Fund
- (iv) Nikko AM Shenton Asia Pacific Fund
- (v) Nikko AM Shenton Greater China Fund
- (vi) Nikko AM Shenton Global Opportunities Fund
- (vii) Nikko AM Shenton World Bank Green Bond Fund
- (viii) Nikko AM Shenton Emerging Enterprise Discovery Fund
- (ix) Nikko AM Shenton Horizon Investment Funds
- (x) Nikko AM Shenton Eight Portfolios
- (xi) Nikko AM Asia Investment Funds
- (xii) Nikko AM Shenton Short Term Bond Funds
- (xiii) Nikko AM Asia Healthcare Fund
- (xiv) ABF Singapore Bond Index Fund
- (xv) Nikko AM Singapore STI ETF
- (xvi) Nikko AM China Multi Access Opportunities Fund
- (xvii) Nikko AM Asia Limited Investment Series
- (xviii) Nikko AM Japan Dividend Equity Fund
- (xix) MSIG Asian Bond Fund
- (xx) Nikko AM China Onshore Fund Series
- (xxi) Nikko AM Global Multi Asset Conservative Fund
- (xxii) Nikko AM EG Emerging Markets Multi Asset Fund
- (xxiii) Nikko AM ASEAN Equity Fund
- (xxiv) Nikko AM All China Equity Fund
- (xxv) Nikko AM Asia Limited Fixed Term Investment Series

8. The names, descriptions and addresses of all the directors of the Manager are as follows:

- (a) David Jonathan Semaya, of Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo, 107-6242, Japan is a non-executive director of the Manager and the Representative Director and Executive Chairman of Nikko Asset Management Co., Ltd (“**Nikko AM**”) in Japan.

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

² The stock code for the Fund will be available on the SGX-ST website at <http://www.sgx.com> from the date of commencement of trading of the Units on the SGX-ST.

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

David has served as a Director of the Investment Management Association and the Wealth Management Association in the United Kingdom and as a Trustee Director for one of Europe’s largest private pension funds.

David holds a Bachelor of Arts from the University of Florida and a Master of Arts from Temple University and has completed the Stanford-NUS executive program in International Management.

David is also a director of Nikko AM, Nikko Asset Management International Limited, Nikko Asset Management Hong Kong Limited, Affin Hwang Asset Management Berhad, Nikko AM Global Holdings Limited, Nikko Asset Management Europe Ltd, Nikko AM Americas Holding Co., Inc., Nikko Asset Management Americas, Inc., Nikko AM Limited, Nikko Asset Management New Zealand Limited, Nikko Asset Management Australia Limited, Nikko AM Equities Australia Pty Limited, Rongtong Fund Management Co., Ltd., Ambit Investment Advisors Private Limited and Nikko Asset Management Luxembourg S.A..

- (b) Lim Say Boon, of 12 Marina Boulevard, MBFC Tower 3, Singapore 018982, is a non-executive director of the Manager.

Say Boon is the Chief Investment Officer (“CIO”) for DBS Bank Ltd (“DBS”), Consumer Banking Group & Wealth Management.

In a career spanning 35 years, Say Boon has held senior positions in the banking/finance industry and in the international media. Prior to joining DBS, Say Boon was the Chief Investment Strategist for Standard Chartered Bank, Group Wealth Management and Private Banking. Say Boon has also worked as Director of Research for Standard Chartered Indonesia, Research Manager for Standard Chartered Securities Singapore, Regional Research Manager for Societe Generale-Crosby Securities, Head of Investment Research for Oversea-Chinese Banking Corporation and Director, Portfolio Counseling for Citigroup Private Bank. Say Boon held senior positions in the financial media in the 1980s, when he was Finance Editor for The Herald-Sun and the Sunday Herald newspapers in Australia.

Say Boon is an economist by training, with a degree from Australia’s Monash University.

Say Boon is also a director of Changi Airports International Private Limited.

- (c) Lim Soon Chong, of 12 Marina Boulevard, MBFC Tower 3, Singapore 018982, is a non-executive director of the Manager.

Soon Chong is the Regional Head of Investment Products and Advisory, Consumer Banking Group and Wealth Management in 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.

- (d) Seet Oon Hui Eleanor, of 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961.

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

Prior to joining the Manager, Eleanor held the role of Senior Director for iShares, Private Wealth Distribution, Asia ex-Japan from 2009. Previously, she spent 12 years at AllianceBernstein, where she was responsible for

building and developing the firm's distribution channels and business. She earned her role as Director of South East Asia with her strong performance in business development and strategic outlook. In that capacity, she was responsible for the overall strategy and execution of the firm's product offerings in South East Asia via intermediaries.

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

Eleanor is also a director of Nikko Asset Management Hong Kong Limited, Nikko Asset Management International Limited, Nikko Asset Management (Mauritius) Ltd, Nikko AM Japan Property Fund I Pte Ltd, Nikko AM Japan Property Fund I-I Pte Ltd and Nikko AM Japan Property Fund I-II Pte Ltd.

- (e) Yu-Ming Wang, of Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo, 107-6242, Japan, is a non-executive director of the Manager.

Yu-Ming has a wealth of experience in the asset management industry with a notable track record particularly in managing global fixed income. As Nikko AM's Global Head of Investment, he orchestrates the work of Nikko AM's global investment team. He joined Nikko AM as international CIO in January 2013. He assumed the position of Deputy President in addition to his role as international CIO in April 2014.

He was previously Head of Fixed Income Asia at Manulife Asset Management (Hong Kong) Limited, where he was responsible for managing a team of fixed income portfolio managers and research analysts in ten countries. Under his leadership, the team produced stellar outperformance in pan-Asian bonds and Renminbi bonds and won several prestigious industry awards.

Yu-Ming started his career as an analyst at M&T Bank in New York City and spent a number of years in the banking and finance industry before co-founding his own investment advisory company, Structured Credit Partners LLC, which was later sold and became a wholly owned subsidiary of Wachovia Corporation ("**Wachovia**"). Joining Wachovia as a Managing Director, Yu-Ming created a specialist securitisation unit in the Fixed Income Division and grew the unit from five employees to more than 120 fixed income professionals in six years. He was then appointed Head of Global Markets and Investment Banking Asia and relocated from New York City to Hong Kong to spearhead a number of prominent fund management projects in China, Hong Kong, Singapore and Taiwan.

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 fluent in Mandarin Chinese.

Yu-Ming is also a director of Nikko AM Equities Australia Pty Limited.

9. The principal officer of the Manager and a key executive of the Manager in relation to the Fund is Seet Oon Hui Eleanor (whose description may be found in paragraph 8(d) of this Prospectus). The other key executives of the Manager in relation to the Fund are Peter Sartori and Winston Lum (whose description may be found in paragraph 10 of this Prospectus).

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

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

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

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

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

10. The principal portfolio manager of the Fund is Mr Winston Lum.

Winston Lum is a portfolio manager and senior member of the Asian equity team at the Manager based in Singapore, with 29 years of experience in the financial industry. He manages absolute return balanced mandates and relative return mandates for institutional clients as well as unit trusts. He is also responsible for a major US-based equity advisory

account. Prior to his current appointment, Winston was a senior equity analyst at the Manager, covering the financial sector (including banks, insurance companies, brokers and exchanges) in the Asia Pacific region.

Prior to joining the Manager in 2010, Winston spent more than twelve years with Nomura Research Institute and Nomura Singapore Ltd (collectively referred to as “**Nomura**”), where he worked as a senior equity analyst. During his tenure at Nomura, he covered several sectors but specialised in the financials sector. Prior to that, he was a sell-side analyst with various brokers and an auditor with Price Waterhouse.

Winston has a Bachelor’s degree in Accountancy from the National University of Singapore and a Master of Business Administration (Distinction) from the University of Michigan, Ann Arbor, USA. He is also a Chartered Financial Analyst charterholder.

11. The Manager will remain as manager of the Fund until it retires or is removed or replaced in accordance with the provisions of the Trust Deed.

12. The following is a summary of the provisions in the Trust Deed governing the retirement, removal and replacement of the Manager:

- (i) Subject to applicable laws and the Listing Rules, the Manager may be removed by notice in writing given by the Trustee:
 - (a) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms notified in writing to the Trustee two (2) months before the effective date of the liquidation) or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a judicial manager or a receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the law of Singapore or such other law as may be applicable in the circumstances;
 - (b) following a material breach of the Manager’s obligations under the Trust Deed which, if the breach is capable of remedy, the Manager fails to remedy within 30 days of being specifically required in writing so to do by the Trustee, and the Trustee is of the opinion and so states in writing to the Manager that a change of Manager is desirable in the interests of Holders; or
 - (c) if the Authority directs the Trustee to remove the Manager.
- (ii) The Manager shall also be removed on notice in writing given by the Trustee following an Extraordinary Resolution passed to remove the Manager, and such notice is to be announced on the SGXNET.
- (iii) In the cases contained in paragraphs 12(i) and 12(ii), the Manager shall upon notice by the Trustee cease to be the Manager and as soon as practicable thereafter the Trustee shall by writing under its seal appoint as manager some other company eligible to be the manager of the Fund and acceptable to the Authority and subject to such company entering into such deed or deeds (being a deed or deeds supplemental to the Trust Deed) as the Trustee may be advised to be necessary or desirable to be entered into by such company in order to secure the due performance of its duties as manager. Nothing in this paragraph 12 shall be construed as prejudicing the right of the Trustee herein contained to terminate the Fund in any of the events in which in accordance with the provisions of the Trust Deed the right of terminating the Fund is vested in the Trustee.
- (iv) Upon giving three (3) months’ written notice to the Trustee, the Manager shall have power to retire in favour of some other company eligible to be the manager of the Fund in accordance with the Securities and Futures Act and approved by the Trustee and the Authority upon and subject to such company entering into such deed or deeds as mentioned in paragraph 12(iii). Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Manager to the Trustee under the Trust Deed at the date thereof the retiring Manager shall be absolved and released from all further obligations under the Trust Deed but without prejudice to the rights of the Trustee or of any other person in respect of any act or omission prior to such retirement.
- (v) The Trustee shall, as soon as practicable after the appointment of the new manager pursuant to the provisions of the Trust Deed, give notice to the Holders specifying the name and address of the office of the new manager. Any manager shall be incorporated in Singapore or registered as a foreign company under Part XI of the Companies Act and shall be carrying on business in Singapore. The manager shall be licensed or registered to conduct fund management under the Securities and Futures Act.
- (vi) Upon effective retirement hereunder, the retiring Manager shall use its reasonable endeavours to assign or novate to the new manager, on terms reasonably acceptable to the Trustee, (and to obtain the consent of its counterparts thereto) all agreements concerning the Fund, to which it, as manager, is a party.

III THE TRUSTEE & CUSTODIAN

13. The Trustee is HSBC Institutional Trust Services (Singapore) Limited (Company Registration No.: 194900022R) and its registered address is at 21 Collyer Quay #13-02 HSBC Building Singapore 049320. The Trustee is regulated in

Singapore by the Authority. The Trustee was incorporated on 24 February 1949 in Singapore. As at 11 October 2016, the issued share capital of the Trustee is S\$10,300,000 and the paid-up share capital of the Trustee is S\$5,150,000. Under the Trust Deed, the Trustee is responsible for safekeeping of the assets of the Fund. The Trustee does not have any material conflict of interest with its position as trustee of the Fund.

14. The Custodian is The Hongkong and Shanghai Banking Corporation Limited whose registered office is at 1 Queen's Road Central, Hong Kong. The Custodian is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission of Hong Kong. The Custodian was incorporated on 14 August 1866 in Hong Kong.

The Custodian was established and has been based in Hong Kong since 1865, and is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group.

As at 2 December 2016, the issued and fully paid-up ordinary share capital of the Custodian is HK\$114,358,729,495 and the issued and fully paid-up preference share capital of the Custodian is US\$3,453,000,000.

The Custodian is appointed by the Trustee as the global custodian to provide custodial services to the Fund globally and any custodian fee payable will be borne by the Fund. The Custodian will remain as custodian of the Fund until its appointment is terminated in accordance with the terms of its appointment. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian's duties in specific jurisdictions where the Fund invests.

The Custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as financial strength, reputation in the market, systems capability, operational and technical expertise. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

15. The following is a summary of the provisions in the Trust Deed governing the retirement, removal and replacement of the Trustee:

(i) The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. If the Trustee wishes to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint a new trustee within three (3) months after the date of such notice, or within such other period as may be agreed between the Manager and the Trustee. If the Manager is unable to appoint a new trustee within such period of three (3) months or such other period as may be agreed between the Manager and the Trustee, the Trustee shall be entitled to appoint a new trustee selected by it. Such new trustee shall be a company eligible, in accordance with paragraph 15(iv) below, the Securities and Futures Act and the CIS Code, to be the trustee of the Fund that is acceptable to the Manager and the Authority and shall agree to enter into such deed as necessary to secure the due performance of its duties as trustee. The Trustee, the new trustee and the Manager shall enter into deed or deeds supplemental to the Trust Deed whereby such new trustee is appointed to be the Trustee in the place of the retiring Trustee who shall thereupon retire.

(ii) If:

(a) the Manager gives notice in writing to the Trustee that it wishes for good and sufficient reason, and is of the reasonable opinion (and so states in writing to the Trustee) that a change of the Trustee is desirable in the interests of the Holders;

(b) following a material breach of the Trustee's obligations under the Trust Deed which, if capable of remedy the Trustee fails to remedy within 30 days of being specifically required to do so by the Manager, and the Manager is of the opinion and so states in writing to the Trustee that a change of the Trustee is desirable in the interests of Holders; or

(c) the Authority directs the removal of the Trustee,

the Manager shall be entitled to give notice in writing to the Trustee that it wishes the Trustee to retire, in each case in favour of a new trustee whose name is specified in such notice and which is a company eligible, in accordance with paragraph 15(iv) below and the CIS Code, to be the trustee of the Fund and is acceptable to the Authority, whereupon the Trustee shall, with effect on and from the date on which the appointment of such new trustee takes effect, by deed supplemental to the Trust Deed retire as the Trustee.

(iii) If an Extraordinary Resolution is passed to remove the Trustee then the Trustee shall retire and in such case the Manager shall as soon as reasonably practicable use its reasonable efforts to find a new trustee to be appointed in accordance with paragraph 15(i) above.

(iv) Any trustee of the Fund shall be incorporated in Singapore, and shall be a public company approved under Section 289 of the Securities and Futures Act.

- (v) The new trustee shall as soon as practicable after its appointment give notice to the Holders specifying the name and the address of the office of the new trustee.
- (vi) To the extent permissible, the stipulation of any statute that a trustee shall not be discharged from its trust unless there will be either a trust corporation or at least two individuals to act as trustees to perform the trust is hereby excluded. In any event, each and every person actually or prospectively interested in the Deposited Property is hereby excluded from asserting any claim against a trustee or former trustee on the basis of the said stipulation save to the extent of any trust monies or other trust assets actually in the possession or control of that trustee or former trustee.
- (vii) Every trustee which shall retire from its position as trustee of the Fund shall in respect of its period of trusteeship of the Fund and notwithstanding that it shall have retired continue to have the benefit of all indemnities, powers and privileges given to the trustee of the Fund by the Trust Deed and any deeds supplemental thereto executed during such period in addition to the indemnities powers and privileges given by law to a retiring trustee.
- (viii) Upon effective retirement hereunder, the retiring Trustee shall be discharged and shall no longer be liable in any manner under the Trust Deed except as to acts or omissions occurring prior to such retirement, and the new trustee shall thereupon undertake and perform all duties and be entitled to all rights and compensation as trustee under the Trust Deed. The successor trustee shall not be under any liability under the Trust Deed for occurrences or omissions prior to the execution of such instrument.
- (ix) Upon effective retirement hereunder, the retiring Trustee shall use its reasonable endeavours to assign or novate to the new trustee on terms reasonably acceptable to the Manager (and to obtain the consent of its counterparts thereto) of all agreements concerning the Fund, to which it, as trustee, is a party.

IV THE INVESTMENT ADVISER AND OTHER PARTIES

16. The investment adviser to the Manager in respect of the Fund is SRE Capital Pte. Ltd. (the “**Investment Adviser**”) whose registered office is at 1 Wallich Street, #15-01, Guoco Tower, Singapore 078881. The Investment Adviser was incorporated in Singapore on 17 October 2014. As at 30 November 2016, the issued share capital of the Investment Adviser was S\$300,000.

The Investment Adviser is a Singapore-based asset management company that specialises in investing in publicly listed real estate and infrastructure related securities within the Asia Pacific region. The Investment Adviser received its Capital Markets Services Licence from the Authority in March 2015 to conduct the regulated activity of fund management for accredited investors and institutional investors, each as defined in section 4A of the Securities and Futures Act.

The Investment Adviser is a subsidiary of Straits Real Estate Pte. Ltd. (“**Straits Real Estate**”), which is a subsidiary and the real estate investment arm of Straits Trading Company Limited (“**Straits Trading**”). Straits Trading is listed on the Mainboard of the SGX-ST.

The Investment Adviser is managed by a team of market professionals who have worked together as a team for several years and have a collective track record of approximately 25 years in managing portfolios with similar mandates.

The names and descriptions of all the directors and principal officers of the Investment Adviser are as follows:

Directors

- (a) Desmond Tang

Desmond is the CEO of Straits Real Estate. Prior to joining Straits Real Estate, Desmond was Managing Director and a partner at GrowthPath Capital Private Limited, a real estate investment management and advisory firm that he co-founded. Desmond has over 23 years of experience in real estate investment and management. He was formerly Co-Head and Managing Director of Alpha Investment Partners (“**AIP**”). Prior to AIP, Desmond was a Director of Fund Management with Prudential Insurance Company of America’s Asia real estate arm named GRA (Singapore) Private Limited.

Desmond has a Bachelor of Science (Honours) degree in Real Estate from the National University of Singapore, and a Master of Applied Finance degree from Macquarie University.

- (b) Goh Yah Huay

Yah Huay is the Director of Finance at Straits Real Estate, where she is responsible for all accounting and finance related functions. Prior to joining Straits Real Estate, Yah Huay was Vice President of Finance at Straits Trading where she was responsible for cashflow management, financial analysis, statutory/management reporting and financial consolidation activities for the Hospitality Division. Yah Huay has about 20 years of experience in the fields of Accounting, Controllershship, Financial Planning and Analysis. Prior to joining Straits Trading, she was Financial Controller South Asia for Imation Singapore Pte Limited. Before Imation Singapore Pte Limited, Yah Huay spent 10 years at BMC Software where she held various senior roles in Finance and was also based in Australia for a period of time.

Yah Huay is a Chartered Accountant of Singapore since 1998. She studied at the Nanyang Technological University and graduated with a Bachelor of Accountancy degree.

(c) Stephen Finch

Prior to joining the Investment Adviser, Stephen was the CEO and a Director at ARA Strategic Capital (Holdings) Limited (which later became APN Funds Management (Asia) Pte. Ltd. (“APN”)), the fund manager of the ARA Asian Asset Income Fund (“AAAIIF”). While at APN, Stephen developed the high income investment strategy that is currently used in the SRE Asian Asset Income Fund (“SAAIF”) that is managed by the Investment Adviser. Stephen managed AAAIF since its inception in August 2007. From 2000 to 2007, Stephen led DBS Bank’s REIT and Debt Capital Markets business where he played a prominent role in growing Singapore’s nascent REIT market. Stephen was the financial adviser to more than 8 REITs listed in Singapore, including CapitalLand Mall Trust, Ascendas REIT, MapleTree Logistics Trust and Suntec REIT. He has also advised on landmark REIT listings in Malaysia, Thailand and Hong Kong. With over 34 years of experience in securities trading and fund management, Stephen’s prior roles involved leading teams and establishing businesses in several countries within Asia including Japan, Singapore, Indonesia, Philippines and Thailand.

Stephen has a Bachelor of Arts in Economics from the Texas A&M University, and a Master of Business Administration from Harvard Business School.

Principal Officers

(i) Stephen Finch, CEO

Please refer to paragraph 16(c) for Stephen’s description

(ii) Manish Bhargava, Head of Research and Trading

Manish was the Head of APN’s Asian REIT or REIT-type securities business and the dedicated fund manager for APN’s Asian REIT strategies including the APN Asian REIT Fund and the AAAIF prior to joining the Investment Adviser. With more than 13 years in real estate investment, Manish is an experienced fund manager who has been responsible for conducting research and investing in Asian REIT or REIT-type securities. Prior to APN, Manish worked in Tiedemann Investment Group, a global hedge fund headquartered in New York, with more than US\$1 billion of assets under management. He also worked at Starwood Real Estate, a property-dedicated global long/short fund based in Greenwich, Connecticut, and European Investors Inc., a property-dedicated long-only fund headquartered in New York.

Manish holds a Master of Accounting/Information System from Oklahoma State University in the USA and Bachelor of Science from St. Xavier’s College in India.

The Investment Adviser is appointed by the Manager to provide investment advisory services to the Manager in respect of the Fund. Under the investment advisory agreement made between the Investment Adviser and the Manager, the Investment Adviser will provide, prior to the inception of the Fund and during the life of the Fund, on a periodic basis or on such frequencies as the parties may from time to time decide, advice to the Manager on *inter alia*, any of the following:

- the appropriateness or suitability for the Fund to continue to track the Index or use the Index as a benchmark;
- the methodology and effectiveness of the Index in enabling the Fund to achieve its investment objective;
- the investments (including the investments in Index Securities and (where applicable) non-Index Securities) made by the Manager to track the Index as closely as possible;
- the investment techniques used by the Manager in seeking to closely track the Index;
- the rebalancing of the Fund’s portfolio to minimise the tracking error; and
- (where applicable) a Successor Index (as defined in paragraph 26 of this Prospectus), the Fund’s investments in financial derivative instruments (“FDIs”) and securities lending or repurchase transactions.

The Investment Adviser shall also conduct performance reviews on the ability of the Manager to track the Index on a quarterly basis.

For the avoidance of any doubt, the Investment Adviser does not have any decision-making capabilities with respect to the management of the Fund. As at 31 January 2017 the Investment Adviser does not advise any other investment manager.

The Investment Adviser will remain as an investment adviser to the Manager until its appointment is terminated in accordance with the terms of its appointment. The Manager will pay to the Investment Adviser an investment advisory fee for the investment advisory services provided, and such investment advisory fee will not be paid out of the Fund.

17. The registrar of the Fund is HSBC Institutional Trust Services (Singapore) Limited (Company Registration No.: 194900022R) (the “**Registrar**”). The Registrar maintains the register of Holders which can be inspected at 20 Pasir Panjang Road (East Lobby), #12-21, Mapletree Business City, Singapore 117439 during normal business hours (subject to such reasonable restrictions as the Trustee may impose).
18. For so long as the Units are listed, quoted and traded on the SGX-ST, the Manager shall appoint The Central Depository (Pte.) Limited (Company Registration No.: 198003912M) (the “**CDP**”) as the Unit Depository for the Fund, and all Units issued will be deposited with the CDP and represented by entries in the register of Holders kept by the Registrar in the name of the CDP or its nominee as the registered Holder of such Units. The Manager or any agents appointed by the Manager shall issue to the CDP or its nominee not more than ten (10) Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued, and if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.
19. The current Designated Market Makers of the Fund are Commerzbank AG and Flow Traders Asia Pte. Ltd.. The auditors of the Fund are PricewaterhouseCoopers LLP of 8 Cross Street, #17-00, PWC Building, Singapore 048424 (the “**Auditors**”).
20. The Manager has delegated its administration and valuation functions in respect of the Fund to HSBC Institutional Trust Services (Singapore) Limited, the administrator of the Fund, whose registered office is at 21 Collyer Quay #13-02 HSBC Building, Singapore 049320. HSBC Institutional Trust Services (Singapore) Limited will remain as the administrator of the Fund until its appointment is terminated in accordance with the terms of its appointment.
21. 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 Manager 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 derivatives, secured/unsecured call loan or securities lending, approval must also be sought from the risk management department of the Manager’s parent company, Nikko AM.

V STRUCTURE OF THE SCHEME

22. The Fund is constituted as a stand-alone unit trust known as the NikkoAM-StraitsTrading Asia ex Japan REIT ETF pursuant to the Trust Deed. The interests issued or offered to the public are represented by Units comprised in the Fund, the property of which shall be invested in Investments (as defined in the Trust Deed).
23. Each Unit represents an undivided interest in the Deposited Property of the Fund. The rights, interests and obligations of Holders are contained in the Trust Deed.

VI INVESTMENT OBJECTIVE, FOCUS & APPROACH

24. The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Index, or upon the Manager giving three (3) months’ prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index. The Fund is only suitable for investors who seek medium to long-term capital appreciation, believe that the Index will increase in value, are willing and able to accept that their principal will be at risk and seek an “index-based” approach to investing in a portfolio of REIT or REIT-type securities listed in Asia ex Japan in a cost effective and easy to access manner. **You should consult your financial advisers if in doubt as to whether the Fund is suitable for you.**
25. The FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index is the current benchmark for the Fund. The FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index is compiled and calculated by FTSE International Limited and aims to access REITs across developed and emerging economies in Asia excluding Australia, New Zealand and Japan. The Index constituents are reviewed on a quarterly basis in March, June, September and December. The description of the index methodology is available at <http://www.ftse.com/products/indices/epra-nareit>. FTSE International Limited publishes the composition of the Index on a quarterly basis and the latest information relating to the Index is available at www.ftserussell.com.
26. If the Index ceases to be compiled or published or if the Licence Agreement with respect to the Index is terminated for any reason, the Manager with the prior approval of the Trustee shall select an alternate or successor index (if necessary, customised by the index licensor or the Manager) using in the opinion of the Manager the same or substantially similar formula for the method of calculation as the Index (the “**Successor Index**”). The Manager will manage the Fund’s portfolio using this Successor Index, taking into account the interests of Holders.
27. Distributions, if any, will be determined by the Manager. The Manager currently intends to make quarterly distributions, less the expenses of the Fund, to Holders around January, April, July and October of each year. The Manager will decide whether a distribution is to be made based on various factors, including dividend and/or interest income and/or capital gains derived from the investments of the Fund. In addition to distributions to Holders out of distributable income and/or capital gains, the Manager may make distributions to Holders out of the capital of the Deposited Property in accordance with the provisions of the Trust Deed. Where distributions are paid out of capital, the NAV of the Fund will be reduced

and this will be reflected in the Redemption Price of the Units. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders. Distributions will only be paid to the extent that they are available for distribution pursuant to the Deed.

28. The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Securities in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). The Manager may in its absolute discretion also invest the Fund's assets in non-Index Securities to achieve the Fund's investment objective. Various circumstances may make it impossible or impracticable to purchase each component Index Security in the same weightings as reflected in the Index. In those circumstances, the Manager may employ a combination of one or more investment techniques in seeking to closely track the Index. In addition, given that Index Securities may be and are added to or removed from the Index from time to time, the Manager may sell or purchase securities that are not yet represented in the Index in anticipation of their removal from or addition to the Index. The composition of the constituent securities of the Index, as at 31 January 2017 are disclosed in Appendix 1 of this Prospectus. You should note that the composition of the Index may change.
29. The Manager will rebalance the Fund's portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of securities in the Index with a view to minimising tracking error of the Fund's overall returns relative to the performance of the Index. Such rebalancing may be in the form of investments in non-Index Securities. You may obtain information on the tracking error of the Fund from the Manager's website at www.nikkoam.com.sg.
30. The Fund will not invest in warrants, commodities, precious metals and unlisted securities.
31. The Fund may use or invest in financial derivative instruments ("FDIs") in accordance with Annex 1 of the Notice on the Sale of Investment Products (for so long as the Units are Excluded Investment Products (as defined in Annex 1 of the Notice on the Sale of Investment Products) ("EIPs")) and Appendix 1 of the CIS Code. Such FDIs may include, but are not limited to, forward contracts, over-the-counter options, index futures and options. Subject to the provisions of Annex 1 of the Notice on the Sale of Investment Products (for so long as the Units are EIPs), the Fund may use or invest in FDIs for the purposes of hedging and/or efficient portfolio management. However, please note that the Fund currently does not use or invest in any FDIs.
32. Where the Fund uses or invests in FDIs, the global exposure of the Fund to financial derivatives or embedded financial derivatives will not exceed 100% of the NAV of the Fund at all times. Such exposure would be calculated using the Commitment Approach as described in, and in accordance with the provisions of, Appendix 1 of the CIS Code. In the event that the Fund nets its OTC financial derivative positions as stipulated in paragraph 8.6 of Appendix 1 of the CIS Code, the Manager will ensure that the legal opinions as stipulated in paragraph 5.15 of Appendix 1 of the CIS Code are obtained.
33. Where the Fund uses or invests in FDIs, the Manager shall ensure that the risks related to such FDIs are duly measured, monitored and managed. The Manager will attempt to minimise the risks of investments in FDIs through careful selection of reputable counterparties and monitoring of the Fund's derivatives positions on an ongoing basis. The Manager has the requisite expertise, experience and quantitative tools to manage and contain such investment risks. In particular, the Manager has in place a comprehensive risk management framework to ensure that the Fund's risk exposure as a result of such FDIs would not be substantially increased. The Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that it has the necessary expertise to control and manage the risks relating to the use of FDIs.
34. The Manager has a dedicated and independent risk management team which oversees the individual portfolio risks. The Manager's portfolio risk management philosophy encompasses the whole investment process from formulation to implementation. Risk management is an integral part of the Manager's investment process. The risks are quantified and broken down into its components through tools employed by the risk management team and monitored closely. Additionally, all open positions/exposure in derivatives will be marked to market at a frequency at least equal to the frequency of the NAV calculation of the Fund.
35. The Fund may engage in securities lending or repurchase transactions in accordance with Annex 1 of the Notice on the Sale of Investment Products (for so long as the Units are EIPs) and Appendix 1 of the CIS Code.
36. You should note that the Units are EIPs and that the Fund does not invest and will not invest in any product and does not engage and will not engage in any transaction which may cause the Units not to be regarded as EIPs.
37. The investment objective and policy of the Fund will be adhered to for at least three (3) years following the issue of the first prospectus of the Fund, unless otherwise agreed by the Holders by a special resolution in general meeting or unless such requirement to obtain Holders' agreement by special resolution is waived by the SGX-ST.
38. Unlike "actively managed" unit trusts and mutual funds, in their management of the Fund, the Manager does not attempt to outperform the Index nor does it seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Index may result in a corresponding fall in the NAV of the Fund.
39. *Investment restrictions.* Under the CIS Code, the Fund is classified as an index fund and the Fund will be subject to the investment guidelines for index funds set out in Appendix 5 of the CIS Code as well as the investment guidelines in Appendix 1 of the CIS Code, save to the extent waived or permitted by the Authority. The Fund will also not invest in

any product and/or engage in any transaction which may cause the Units not to be regarded as EIPs.

40. Under the terms of the Trust Deed, the Fund may at any time and from time to time borrow, on a temporary basis for a borrowing period not exceeding one month, for the purposes of meeting redemptions and bridging requirements. Aggregate borrowings for such purposes should not exceed ten per cent. (10%) of the NAV of the Fund at any given time.

41. The base currency of the Fund is SGD and the Fund will issue Units denominated in SGD.

VII CPF INVESTMENT SCHEME

42. The Fund is currently not included under the CPF Investment Scheme.

VIII FEES AND CHARGES

43. You will have to pay the following fees and charges:

For purchase and sale of Units on the SGX-ST using cash

- (a) Subscription fee or preliminary charge - Nil.
- (b) Redemption or realisation charge - Nil.
- (c) Switching fee - Not applicable.
- (d) Any other fee - Cost of Dealing on the SGX-ST

If you deal on the SGX-ST, you will typically not bear any costs related to the creation and redemption of Units. However, you will need to pay brokers' commissions, clearing fees and other costs associated with dealing on the SGX-ST. These amounts are subject to your individual agreement with, and are paid directly by you to, your broker, the CDP and your other service providers.

For subscription and/or redemption of Units in cash by or through Participating Dealers

- (a) Subscription fee or preliminary charge - Nil.
- (b) Redemption or realisation charge - Nil.
- (c) Switching fee - Not applicable.
- (d) Duties and Charges - Up to 0.50% of the subscription or redemption amount (as the case may be) will be payable to the Manager.

Under the terms of the Trust Deed, for subscription and/or redemption of Units in cash, the Manager is entitled to charge Duties and Charges for the account of the Fund which would be used to defray the Fund's costs in the form of stamp duties, brokerage fees, clearing fees and taxes in investing cash for assets or realising the Fund's assets for cash, to prevent the NAV of the Fund from being diluted by the high transactional costs which would be incurred by the Fund. The Manager may, in its absolute discretion, waive either absolutely or subject to such conditions as it deems fit all or part of the Duties and Charges for Designated Market Makers of the Fund.

- (e) Any other fee - You will also have to bear normal brokerage and other fees charged by your stockbrokers.

44. The Fund will have to pay the following fees and charges out of its assets:

- (a) Management Fee - Current: 0.50% per annum of the Deposited Property; Maximum: 0.70% per annum of the Deposited Property.
- (b) Trustee Fee - Current: up to 0.04% per annum of the Deposited Property; Maximum: 0.05% per annum of the Deposited Property.
Subject to a minimum fee of S\$15,000 per annum.
- (c) Custodian fee - The custodian fee payable is subject to agreement between the Manager and the Custodian and may amount to or exceed 0.10% per annum depending on, amongst others, the size of the Fund and the number of transactions carried out.
- (d) Administration fee (payable to the administrator of the Fund) - Current: 0.04% per annum of the Deposited Property; Maximum: 0.05% per annum of the Deposited Property.
Subject to a minimum fee of S\$15,000 per annum.
- (e) Other Fees and Charges - Other fees and charges, including *inter alia* registrar fees may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the Deposited Property.

IX RISKS

45. The general risks of investing in the Fund are as follows:

- (a) While the Manager believes that the Fund offers income revenue and potential for capital appreciation, no assurance is given that these objectives will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision.
- (b) Investments in the Fund are designed to produce returns over the long term and are not suitable for short term speculation. You should be aware that the price of Units, and the income from them, may go up as well as down, and that past performance is not necessarily a guide to the future performance of the Fund. A possible loss of the principal invested cannot be ruled out.
- (c) The risks of investments made by a collective investment scheme include economic, political, foreign exchange, liquidity, regulatory, interest rate, default and repatriation risks.
- (d) 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 Trust Deed and described in section XIII of this Prospectus.

46. The specific risks of investing in the Fund are as follows:

- (a) Market risk. The price of securities comprised in the portfolio of the Fund and the Units, and the income from them, may be influenced by political and economic conditions, changes in interest rates, the earnings of the REITs whose securities are comprised in the portfolio, and the market's perception of the securities.
- (b) Liquidity risk. The extent of market liquidity is dependent on the size and state of the markets and therefore affects the Fund's ability to acquire or dispose of assets at the price and time it so desires.
- (c) Trading market in the Units. Although the Units are listed on the SGX-ST, you should be aware that there may be no liquid trading market for the Units. There is no assurance that active trading markets for Units will develop, nor is there a certain basis for predicting the actual price levels at, or sizes in, which Units may trade.
- (d) Minimum creation and redemption size. Currently, Units will only be issued and redeemed for in cash by or through Participating Dealers for the account of investors and/or for their own account at a minimum of 50,000 Units. If you do not hold at least the minimum redemption number of Units (i.e. 50,000 Units), you will only be able to realise the value of your Units by selling your Units on the SGX-ST at the prevailing trading price of the Units. You should note that the Participating Dealers are under no obligation to redeem your Units. **It is expected that most investors will dispose of their Units by selling them on the SGX-ST.**
- (e) Units may trade at prices other than NAV. The NAV per Unit of the Fund represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV per Unit. The deviation from this NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on the SGX-ST. There is a risk, therefore, that Holders may not be able to buy or sell at a price close to this NAV per Unit. However, since Units can be created and redeemed (at a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or amount as the Manager may determine upon giving prior notice to the Trustee, at NAV), the Manager believes that large discounts or premiums to the NAV of Units could not be sustained in an efficient market that allows for arbitrageurs to exploit the difference between trading prices and the NAV. The "bid/ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from this NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from this NAV.
- (f) Tracking error risk. Changes in the NAV of the Fund are unlikely to replicate exactly changes in the Index due to various factors. Factors such as fees and expenses of the Fund, liquidity of the market, imperfect correlation of returns between the Fund's securities and those in the Index, changes to the Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Index. Imperfect correlation between the returns of portfolio securities and the Index is more likely to happen to the extent that the Fund invests in securities that are non-Index Securities or invests in those Index Securities with different weighting from that of the Index. The Fund's returns may therefore deviate from those of the Index. However, a fall in the Index may result in a corresponding fall in the Value of the Fund.
- (g) Distributions are contingent on dividends paid on Index Securities. The Fund's ability to pay distributions on the Units is dependent on the dividends declared and paid by the REITs whose securities are held by the Fund and the level of fees and expenses payable by the Fund. Dividend payment rates of these REITs are based on numerous factors, including their current financial condition, general economic conditions and their dividend policies. There is no assurance that such REITs will declare dividends or make other distributions. In addition, changes to the composition of the Index (for example, the substitution of one constituent security in the Index with another paying higher or lower dividends) will affect the level of dividends received by the Fund as a percentage of Value. To the extent possible, the Fund will pay its fees and expenses out of the dividends it

receives. To the extent dividends received by the Fund are insufficient to meet its fees and expenses, the excess will be met by disposing of part of the Fund's portfolio of Index Securities and/or by short-term borrowing. Any such disposition of Index Securities or borrowing may cause the Fund's Value to fall, and may adversely affect the trading price of the Units. You may therefore not receive any distributions. You will not receive any dividends or other distributions directly from the REITs in which the Fund invests.

- (h) Dependence upon trading market for Index Securities, Future Index Securities and Former Index Securities. The existence of a liquid trading market for the Index Securities may depend on whether there is supply of, and demand for, such Index Securities. There is no assurance that there will be active trading in any of the Index Securities. The price at which the Index Securities may be purchased or sold by the Fund upon any rebalancing activities or otherwise and the Value of the Fund may be adversely affected if trading markets for the Index Securities, Future Index Securities and Former Index Securities are limited or absent.
- (i) Lack of discretion of the Manager to adapt to market changes. The Index Securities held by the Fund will passively reflect the distribution of REITs whose securities comprise the Index. Therefore, adverse changes in the financial condition or performance of any REIT included in the Index will not result in the sale of the securities of such REIT, and will be likely to affect adversely the Fund's Value and the trading price of the Units. The Manager will have limited discretion to remove the securities of such REIT from the Fund. A fall in the Index may result in a corresponding fall in the Fund's NAV.
- (j) Trading in Units on SGX-ST may be suspended. You will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. Subject to the provisions of the CIS Code, the creation and redemption of Units will also be suspended if the trading of Units on the SGX-ST is suspended.
- (k) Units may be delisted from SGX-ST. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. There is no assurance that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change its listing requirements. The Fund may be terminated if Units are delisted from the SGX-ST.
- (l) Reliance on Participating Dealers. Currently, the creation and redemption of Units can only be effected by or through Participating Dealers for the account of investors and/or for their own account. The number of Participating Dealers at any given time may be limited. You may not be able to submit creation or redemption requests through all the Participating Dealers but at any one time, there will be at least one Participating Dealer through whom you may submit creation or redemption requests. Participating Dealers are however under no obligation to accept instructions to create or redeem Units on your behalf. Subject to the provisions of the CIS Code, Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities in the central clearing and settlement system established by the CDP is disrupted or clearing and settlement of in-kind transactions on the system established by the SGX-ST is disrupted or the Index is not compiled or published. In addition, subject to the provisions of the CIS Code, Participating Dealers will not be able to create or redeem Units if some other event occurs which impedes the calculation of the Value of the Fund by the Manager or during which delivery of Index Securities or disposal of the Fund's investments cannot be effected normally.
- (m) Suspension of creations and redemptions. Dealings of Units on the SGX-ST may not necessarily be suspended if the creation and redemption of Units is temporarily suspended by the Manager in accordance with the terms of the Trust Deed. If the creation and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.
- (n) Investing in derivatives. Subject to the provisions of Annex 1 of the Notice on the Sale of Investment Products (for so long as the Units are EIPs), the Manager may in its absolute discretion cause the Fund to use or invest in FDIs for the purposes of hedging and/or efficient portfolio management. The Manager may cause the Fund to make use of FDIs as allowed in the CIS Code. While the prudent and judicious use of FDIs by investment professionals can be beneficial, FDIs involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with FDIs are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. Investments in FDIs may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in FDIs be monitored closely. The Manager has the necessary expertise and controls for investments in FDIs and has in place systems to monitor any derivative positions for the Fund.

The viability of exercising FDIs depends on the market price of the investments to which they relate, and accordingly, the Manager may from time to time decide that it is not viable to exercise certain FDIs held by the Fund within the prescribed period, in which case, any costs incurred in obtaining the FDIs will not be recoverable. Additionally, the market price of the relevant investment may not exceed the exercise price attached to the FDI at any time during the exercise period or at the time at which the warrants or options are exercised and in such an event, this may result in an immediate loss to the Fund.

- (o) Changes in the Index. The Index is subject to regular review and revisions. Announcements that are made with respect to potential deletions from and additions to the Index can affect the price of affected REITs as well as other REITs and the Index as a whole. The Fund will, typically, hold securities issued by REITs that may be deleted from the Index and will, typically, begin to acquire securities issued by REITs that may be added to the Index. The relative performance of these two groups of securities can have an adverse impact on the Fund.
- (p) Licence to use the Index may be terminated. The Manager has been granted a licence by the current Index Licensor to use the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index as a basis for the composition of the Fund, and to use certain trade names and trademarks associated with the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index. The Fund may not be able to achieve its objective and may be terminated if the Licence Agreement is terminated and the Manager is unable to identify or agree with the Index Licensor or any other index licensor terms for the use of a suitable replacement index that uses, in the opinion of the Manager, the same or a substantially similar formula for the method of calculation as the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index. Any such replacement index will be notified to Holders via SGXNET. Accordingly, you should note that the Fund's ability to track the Index depends on the Licence Agreement continuing in force or a suitable replacement index being found.
- (q) Termination of the Fund. The commercial success of the Fund is dependent on attracting assets under management significantly larger than a traditional unit trust. If the size of the Fund falls below S\$100 million on any day falling two years or more after the date of the Trust Deed, the Manager may terminate the Fund.
- (r) Foreign exchange risks. As the investments of the Fund may be denominated in currencies other than SGD, fluctuations of the exchange rates of such currencies against the base currency of the Fund (i.e. SGD) may have an impact on the income of the Fund and affect the value of Units.

The Fund may also invest in securities that are denominated in a wide range of currencies, some of which may not be freely convertible. The NAV of the Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currency in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange/currency risks.

The Manager reserves 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, an active hedging strategy is usually adopted. As at the date of registration of this Prospectus, the Manager does not intend to hedge the foreign currency exposure of the Fund.

- (s) Errors or inaccuracies in the Index. There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the Index, which may result in significant deviations between the NAV of the Units and the Index. The accuracy and completeness of the calculation of the Index may be affected by, without limitation, the availability and accuracy of prices for its constituent securities, market factors and errors in its compilation. The Manager and the Trustee are not responsible or involved in the compilation or calculation of the Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.
- (t) Risk associated with the investment strategy of the Fund. Unlike "actively managed" unit trusts and mutual funds, in its management of the Fund, the Manager does not attempt to outperform the Index nor does it seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Index may result in a corresponding fall in the NAV of the Fund.
- (u) Concentration risk. The Index Securities will be comprised of REIT or REIT-type securities in the Asia ex-Japan region, which may cause the Fund to be less diversified as compared to a fund that invests in REIT or REIT-type securities globally. To the extent that a property sector or a geographical region in which the Index Securities are concentrated in falls out of favour, the Fund's performance may be negatively affected. Please refer to Appendix 1 for more information on the constituent securities of the Index and their weightings.

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.

X SUBSCRIPTION OF UNITS

How to purchase Units with cash

- 47. During the initial offer period of the Fund which is from **6 March 2017 to 21 March 2017** (or such other dates and for such other period as the Manager may determine upon notice to the Trustee) (the "**Initial Offer Period**"), you may (i) approach the placement agents appointed by the Manager for more information on how to apply for Units through the Participating Dealers appointed by the Manager or (ii) apply for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) using cash through the Participating Dealers.

You may obtain a list of the Participating Dealers from the Manager.

48. (i) After the Initial Offer Period, you may apply for a minimum of 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, using cash through Participating Dealers on any Cash Dealing Day.
- (ii) If you wish to acquire less than 50,000 Units, you may only acquire Units in lots of 100 Units on the SGX-ST using cash. You may buy Units on the SGX-ST through brokers in the same way as how you may buy shares in companies listed on the SGX-ST.

49. Payment for Units may be made as stipulated by the Participating Dealers from time to time.

In respect of institutional investors and Designated Market Makers, an investment form may also be obtained directly from the Participating Dealers and, once duly completed, forwarded by the Participating Dealers to the Registrar, together with the subscription monies in respect of the application for Units.

50. Notwithstanding anything in this section X, the Manager shall retain the absolute discretion to accept or reject any application for Units (including, but not limited to, rejecting any application for Units that is received or deemed received by the Registrar on or before the Dealing Deadline of a Cash Dealing Day that is also an Ex. Dividend Date). If an application for Units is rejected by the Manager, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as the Manager shall determine. No certificates will be issued by the Manager.

51. The minimum investment for the Fund is 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or investment amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee.

52. During the Initial Offer Period, the amount that you will have to pay for the number of Units applied for is calculated by multiplying the number of Units applied for by the Initial Offer Price of the Units. The Initial Offer Price of the Units is S\$1.0000 per Unit (or such other amount as may be determined by the Manager from time to time with the approval of the Trustee).

After the Initial Offer Period, the amount that you will have to pay for the number of Units applied for is calculated by multiplying the number of Units applied for by the Issue Price of the Units together with any Duties and Charges. The Issue Price of the Units shall be ascertained as follows:

- (i) by dividing the Value of the Deposited Property as at the Valuation Point of the relevant Cash Dealing Day on which applications for Units are deemed to be received and accepted by the Manager by the number of Units then in issue and deemed to be in issue; and
- (ii) by rounding the resulting total per Unit to the nearest four (4) decimal places.

The Manager may add to the Issue Price calculated (but not include within it) such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges, which shall be for the account of the Fund. The Issue Price shall be calculated in SGD. The Issue Price shall be based on forward pricing which means that the Issue Price of the Units shall not be ascertainable at the time of application for Units.

53. During the Initial Offer Period, your subscription application must reach the Registrar and the subscription monies for your subscription application must be received in full in cleared funds by and to the order of the Trustee, on or before the Dealing Deadline of 12 noon (Singapore time) on the last day of the Initial Offer Period or by such later time and date as the Manager shall determine and agree with the Trustee. After the Initial Offer Period, requests for subscription of Units using cash must reach the Registrar on or before the Dealing Deadline for the Cash Dealing Day (12 noon (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require). If the request for subscription of Units using cash is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day. You may obtain the Issue Price on the next Business Day from the Manager's website at www.nikkoam.com.sg.

54. The following is an illustration of the amount that you will have to pay based on an investment of 50,000 Units in the Fund through a Participating Dealer and an Initial Offer Price* of S\$1.0000, during the Initial Offer Period.

50,000 Units	x	S\$1.0000	=	S\$50,000.00 + applicable fees and charges (including brokerage fees and charges), if any
Number of Units proposed to be subscribed		Initial Offer Price*		Total amount payable by you**

* You should note that the Initial Offer Price may be changed to such other amount as may be determined by the Manager from time to time with the approval of the Trustee. If the subscription monies received from you during the Initial Offer Period are insufficient to buy at least 50,000 Units in the Fund and to pay all fees and charges in connection with the subscription, the application will be rejected and the Manager will refund all the subscription monies (less all

fees in connection with the subscription) paid by you (without interest) by no later than three (3) Business Days after the close of the Initial Offer Period.

** You should note that there may be additional fees and charges (including brokerage fees and charges) payable to the Participating Dealers (as may be determined by the relevant Participating Dealer. The above numerical example has not included the applicable fees and charges payable by you (if any). You should therefore consult the relevant Participating Dealer for the actual amount of all fees and charges that would be payable to the Participating Dealer for assisting you with your subscription application. You should also note that in addition to any additional fee and charges payable to the Participating Dealers, you will also have to bear all brokerage fees charged by your stockbrokers.

You should note that all bank charges (if any) payable in connection with your subscription of Units and the refund of the balance subscription monies (if any) will be borne by you.

55. The following is an illustration of the amount that you will have to pay based on an investment of 50,000 Units in the Fund through a Participating Dealer after the close of the Initial Offer Period and a notional Issue Price of S\$1.0500 (the actual Issue Price of the Units will fluctuate according to the Value of the Deposited Property and the number of Units then in issue):

50,000 Units	x	S\$1.0500	=	S\$52,500.00	+	S\$262.50	=	S\$52,762.50
Number of Units proposed to be subscribed		Notional Issue Price				Duties and Charges*		Total amount payable by investor

* Assuming that you are charged 0.50% of the subscription amount by the Manager. You should note that in addition to such Duties and Charges, you will also have to bear all brokerage fees charged by your stockbrokers.

The price of Units traded on SGX-ST shall be based on their market prices throughout the trading day for SGX-ST.

56. After the Initial Offer Period, applications for subscription of Units using cash will only be accepted and processed if the application monies and/or the Duties and Charges in respect of that application have been received in full in cleared funds by or to the order of the Trustee by no later than the third Dealing Day after the relevant Cash Dealing Day ("**Cash Settlement Date**").

If the above is not satisfied, the application for subscription of Units will be cancelled. Participating Dealers will be liable to pay a cancellation fee of such amount as the Manager may from time to time determine to represent the Duties and Charges, the administrative costs involved in processing the application, interest costs incurred by the Fund and any losses arising in respect of the Fund's purchase and sale of Investments in connection with such cancellation (including the difference between the NAV of the Units on the Cash Settlement Date compared to the relevant Cash Dealing Day).

57. The Issue Price excludes any subscription fee or preliminary charge as no subscription fee or preliminary charge is payable.
58. In respect of Units applied for during the Initial Offer Period, for every successful application for Units, the relevant Participating Dealer will be sent a confirmation detailing the number of Units allotted within seven (7) Business Days after the close of the Initial Offer Period. After the Initial Offer Period, for every successful application for Units, the relevant Participating Dealer will be sent a confirmation detailing the number of Units allotted within seven (7) Business Days of the receipt of the application by the Registrar. All Units created through subscription of Units by or through the Participating Dealers will be entered on the records of CDP in the name of the relevant Participating Dealer or its nominee.
59. No Units will be issued during any period when the creation and redemption of Units is suspended (see section XIII below).
60. The Manager reserves the right not to issue Units in the Fund and to refund the subscription monies received (without interest) to you no later than six (6) Business Days after the close of the Initial Offer Period if either:
- (i) the capital raised for the Fund as at the close of the Initial Offer Period is less than S\$40 million; or
 - (ii) the Manager is of the view that it is not in the interest of investors or it is not commercially viable to proceed with the launch of the Fund and/or the listing of the Fund on the SGX-ST; and if this happens, the Fund shall be deemed not to have commenced.

You should note that any bank charges payable in connection with the refund of the subscription monies shall be borne by you.

XI REALISATION OF UNITS

How to sell Units for cash

61. During the Initial Offer Period, no redemption of Units will be permitted. Units may only be redeemed after the listing of the Units on the SGX-ST.

After the Units are listed on the SGX-ST:-

- (i) you may apply to redeem 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or redemption amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee, for cash on any Cash Dealing Day through Participating Dealers; and
- (ii) if you wish to dispose of less than 50,000 Units, you may sell your Units which were purchased with cash on the SGX-ST through brokers in the same way as how you may sell shares in companies listed on the SGX-ST.

62. A Holder of 50,000 Units or more may redeem Units pursuant to paragraph 61(i) above through completing the redemption request (or such other form as the Manager may approve from time to time) and forwarding the same to the Participating Dealers. However, if you have applied to subscribe for Units using cash on any Cash Dealing Day, you shall not be entitled to redeem the Units to be issued to you until after the Cash Settlement Date in respect of that Cash Dealing Day.

63. There is no minimum holding amount for the Units. The minimum redemption number of Units in respect of cash redemptions through Participating Dealers is 50,000 Units (or such higher number of Units in multiples of 1,000 Units) or such other number of Units or amount as may be determined from time to time by the Manager upon giving prior notice to the Trustee. However, if the Units cease at any time to be listed on the SGX-ST and any other stock exchange on which the Units may be listed or quoted on for a continuous period of 30 days, subject to paragraph 73 the Manager will, within 14 days from the end of such 30 day period, commence accepting redemption requests made directly by Holders subject to the provisions of the Trust Deed, and if the Units are subsequently relisted on the SGX-ST or a stock exchange, the Manager may, on reasonable notice given to Holders, again require redemption requests to be made only through Participating Dealers. Holders with less than the minimum redemption number of Units may sell their Units for cash by trading the Units on the SGX-ST.

64. The net realisation proceeds are calculated by multiplying the number of Units to be redeemed by the Redemption Price of the Units on the relevant Cash Dealing Day which shall be ascertained as follows:

- (i) by dividing the Value of the Deposited Property at the Valuation Point of the relevant Cash Dealing Day on which applications to redeem Units are deemed to be received and accepted by the Manager by the number of Units then in issue and deemed to be in issue; and
- (ii) by rounding the resulting total per Unit to the nearest four (4) decimal places.

The Manager may deduct from the realisation proceeds such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges, which shall be for the account of the Fund. The Redemption Price shall be calculated in SGD and shall be based on forward pricing which means that the Redemption Price of the Units shall not be ascertainable at the time of application to redeem Units.

65. Applications to redeem Units for cash must reach the Registrar on or before the Dealing Deadline on the Cash Dealing Day (12 noon (Singapore time) or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require). If the request to redeem Units for cash is received and accepted by the Registrar after the Dealing Deadline, it shall be deemed to be received and accepted by the Registrar on or before the Dealing Deadline for the next Cash Dealing Day. You may obtain the Redemption Price on the next Business Day from the Manager's website at www.nikkoam.com.sg.

66. The following is an illustration of the realisation proceeds that you will receive based on a redemption of 50,000 Units through a Participating Dealer and a notional Redemption Price of S\$1.1000 (the actual Redemption Price of the Units will fluctuate according to the Value of the Deposited Property and the number of Units then in issue).

50,000	x	S\$1.1000	=	S\$55,000.00	-	S\$275.00	=	S\$54,725.00
No. of Units Redeemed		Notional Redemption Price		Gross Realisation Proceeds		Duties and Charges*		Net Realisation Proceeds

* Assuming that you are charged 0.50% of the redemption amount by the Manager. You should note that in addition to such Duties and Charges, you will also have to bear all brokerage fees charged by your stockbrokers.

The price of Units traded on SGX-ST shall be based on their market prices throughout the trading day for SGX-ST.

67. Where Units are to be redeemed for cash, the Manager shall proceed to effect any sales of Investments necessary to provide the cash required to pay the realisation proceeds and notify the Trustee that those Units are to be redeemed and cancelled. In such event the Fund shall be reduced by the cancellation of those Units on the Cash Settlement Date and for settlement on that Cash Settlement Date the Trustee shall pay the realisation proceeds to the relevant Holder. Notwithstanding the foregoing, no realisation proceeds shall be paid unless Units, the subject of the application to redeem Units for cash, have been delivered to the Trustee for redemption by such time on the Cash Settlement Date as the Trustee and the Manager shall for the time being prescribe. If Units are not delivered to the Trustee for redemption in accordance with the foregoing: (i) the application for redemption for cash shall be deemed never to have been made (except that the Duties and Charges shall remain due and payable) and (ii) the Manager may, but shall not be bound to, charge the Holder's Participating Dealer (for the account of the Fund) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the redemption request, purchasing and/or selling any Investment and redelivering any Units, and any losses arising in respect of the Fund's sale and purchase of Investments and any interest costs incurred by the Fund in connection with such failed redemption. In addition, the Manager may, but shall not be bound to require the Holder's Participating Dealer to pay to the Trustee for the account of the Fund in respect of each Unit, the subject of the application for redemption of Units for cash, the amount (if any) by which the Redemption Price of each such Unit on the relevant Cash Dealing Day is less than the Issue Price which would have applied in relation to each such Unit as if the Manager had received on the relevant Cash Settlement Date in relation to such Units to be redeemed an application from such Holder's Participating Dealer for the subscription of such Units in accordance with the relevant provisions of section X of this Prospectus.
68. The Redemption Price excludes realisation charge as no realisation charge is payable.
69. Payment will be made within three (3) Business Days after the relevant Cash Dealing Day subject to the provisions of the Trust Deed. The net realisation proceeds shall be paid to the Participating Dealer.
70. The Manager shall be entitled to limit the total number of Units which Holders are entitled to redeem in cash on a Dealing Day to ten per cent. (10%) (or such higher percentage as the Manager may determine in any particular case with the approval of the Trustee) of the total number of Units in issue (disregarding any Units which have been agreed to be issued). Such limitation shall be applied (subject as provided in the last sentence of this paragraph) *pro rata* among all Participating Dealers who have validly requested redemptions on such Dealing Day so that the proportion redeemed of each holding so requested is the same for all Participating Dealers who have validly requested redemptions. Any Units which, by virtue of the powers conferred on the Manager hereby, are not redeemed in respect of a particular Cash Dealing Day (a "**first relevant Cash Dealing Day**") shall be carried forward for redemption (subject to any further application of the provisions of this paragraph) on the Cash Dealing Day next following the first relevant Cash Dealing Day (such Cash Dealing Day shall be referred to as a "**second relevant Cash Dealing Day**"). The Manager will inform the Participating Dealers of Units the redemption of which has been deferred within one Business Day after the first relevant Cash Dealing Day and that (subject as aforesaid) they shall be redeemed on the second relevant Cash Dealing Day. If on the second relevant Cash Dealing Day the Manager shall decide to apply the limitation described in the first sentence of this paragraph, Units the subject of redemption requests first carried forward from the first relevant Cash Dealing Day shall then (subject to the application of such limitation) be redeemed in priority to Units the subject of redemption requests received on the second relevant Cash Dealing Day, and such second relevant Cash Dealing Day shall be treated as the first relevant Cash Dealing Day for Holders whose redemption requests are to be carried forward hereunder after such second relevant Cash Dealing Day.
71. Where any applications or requests for subscription, creation or redemption of Units in cash are submitted by a Participating Dealer for its own account, sections X and XI of this Prospectus shall apply *with the necessary modifications* to such applications or requests as if they were submitted by the Participating Dealer as Participating Dealer on behalf of itself as applicant for or Holder of the Units.

XII OBTAINING PRICES OF UNITS

72. After the close of the Initial Offer Period and the listing of the Units on the SGX-ST, the Issue Price and Redemption Price of Units (which is also the NAV per Unit) will be available on the Business Day following each Dealing Day. You may check such prices on the Manager's website at www.nikkoam.com.sg.

XIII SUSPENSION OF DEALINGS

73. Subject to the provisions of the CIS Code, the Manager may at any time with the prior approval of the Trustee suspend the creation and/or redemption of Units of the Fund and/or delay the payment of any monies in respect of any such redemption during any of the following periods:
- (a) any period when the SGX-ST is closed;
 - (b) any period when dealings of the Units on the SGX-ST are restricted or suspended;
 - (c) any period when settlement or clearing of securities in CDP is disrupted;
 - (d) the existence of any state of affairs as a result of which disposal of Investments for the time being comprised in the Deposited Property cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders;
 - (e) any period when, in the opinion of the Manager, funds cannot be normally remitted from the Deposited Property without prejudicing the interests of Holders;
 - (f) any period when the Index is not compiled or published;

- (g) any breakdown in the means normally employed in determining the Value of the Deposited Property or liabilities of the Fund or when for any other reason the Value of any Investment or other property for the time being comprised in the Deposited Property or the liabilities of the Fund cannot be promptly and accurately ascertained;
- (h) any 48 hours (or such longer period as the Manager and the Trustee may agree) prior to the date of any meeting of Holders, or any adjourned meeting thereof;
- (i) any period when the business operations of the Manager or the Trustee in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
- (j) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority; or
- (k) such circumstances as may be required under the provisions of the CIS Code.

74. Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof by the Manager and thereafter there shall be no creation or issue of Units and/or no redemption of Units and/or payment of the Redemption Price in respect of any such redemption until the Manager shall declare the suspension at an end, except that subject to the provisions of the CIS Code, the suspension shall terminate as soon as practicable when (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised under the Trust Deed shall then exist, and in any event, within 21 days of the commencement of the suspension. The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Holders for the dealing in Units to remain suspended. Such extension should be subject to weekly review by the Trustee. Each declaration by the Manager pursuant to paragraph 73 shall be consistent with such official rules, regulations, codes and guidelines, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Fund and as shall be in effect at the time. To the extent not inconsistent with such official rules, regulations, codes and guidelines, and subject to the foregoing provisions hereof, the declaration of the Manager shall be conclusive. During any such suspension by reason of any of the circumstances set out in paragraphs 73(a) to (k) above, the calculation of the Value of the Deposited Property and each Unit (including the Issue Price and Redemption Price) may also be suspended and the Manager shall be under no obligation to rebalance or adjust the Deposited Property, in either case at the discretion of the Manager and with the prior approval of the Trustee. The Manager shall publish the fact that the calculation of the Value of the Deposited Property and each Unit is suspended immediately following such suspension and at least once a month during the period of such suspension in such newspaper or newspapers in Singapore or elsewhere as the Manager may from time to time think fit.

75. Any Participating Dealer may at any time after such a suspension has been declared and before termination of such suspension withdraw any redemption request or any application for the issue of Units by notice in writing to the Manager. If no such notification of the withdrawal of any such request or application has been received by the Manager before termination of such suspension, the Manager shall, subject to and in accordance with the provisions of the Trust Deed, redeem Units in respect of which the Manager has received a valid redemption request and the Trustee and the Manager shall consider applications for the issue of Units as at the Cash Dealing Day next following the termination of such suspension. In addition, the period for distributing any proceeds the distribution of which has been delayed pursuant to the suspension shall be extended by a period equal to the length of the period of the suspension.

XIV PERFORMANCE OF THE SCHEME

76. As the Fund has not been incepted yet, a track record of at least one year is not available as at the date of registration of this Prospectus.

77. The benchmark against which the performance of the Fund will be measured is the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index.

78. Expense ratio

As the Fund has not been incepted yet, the expense ratio of the Fund is not available as at the date of registration of this Prospectus.

79. Turnover ratio

As the Fund has not been incepted yet, the turnover ratio of the Fund is not available as at the date of registration of this Prospectus.

XV SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

80. The primary objective of the Manager in placing orders for the purchase and sale of Index Securities and non-Index Securities, when adjusting the Fund's portfolio to reflect changes in the Index or in respect of a cash subscription or redemption, is to obtain the most favourable net results taking into account such factors as price, commission or spread and size of the order. Where it is consistent with this objective, it is the Manager's practice to place such orders with brokers/dealers who supply research, market information and quotations and statistical information to the Manager, which may be useful to the Manager in providing its services as manager of the Fund and/or may be useful to the Manager in providing services to other clients (including other funds managed by the Manager), other than as manager of the Fund.

81. Appointment of soft dollar brokers

The Manager will appoint soft dollar brokers onto its broker panel only after it has 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 Manager will execute trades for such accounts only with authorised full service brokers.

It is the responsibility of the Manager to ensure that the allocation quotas are adhered to. In addition, the Manager will monitor the execution ability of the soft dollar brokers and assign the business strictly on a "best execution" basis.

82. Subject to the provisions of the CIS Code, in its management of the Fund, the Manager 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;
- e) direct money payments / rebates.

The Manager shall retain the records of the payments made using soft dollar commissions.

83. The managers of the REITs into which the Fund may invest more than 10% of its asset value from time to time do not receive or intend to enter into soft dollar commissions or arrangements in their management of their REITs.

XVI CONFLICTS OF INTEREST

84. Other than the Fund, the Manager is also the manager 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 China Multi Access Opportunities Fund
- q) Nikko AM Asia Limited Investment Series
- r) Nikko AM Japan Dividend Equity Fund
- s) MSIG Asian Bond Fund
- t) Nikko AM China Onshore Fund Series
- u) Nikko AM Global Multi Asset Conservative Fund
- v) Nikko AM EG Emerging Markets Multi Asset Fund
- w) Nikko AM ASEAN Equity Fund
- x) Nikko AM All China Equity Fund
- y) Nikko AM Asia Limited Fixed Term Investment Series.

- 85.** The Manager may from time to time have to deal with competing or conflicting interests arising from other funds managed by the Manager. For example, the Manager may make a purchase or sale decision on behalf of some or all of the other funds managed by the Manager 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 Manager will use its reasonable endeavours at all times to act fairly and in the best 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 Manager and the Fund, the Manager will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds managed by the Manager and the Fund. The Manager may also transact on the Fund's behalf with its affiliates. The Manager intends 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.
- 86.** The Manager is of the view that it is not in a position of conflict in managing its 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 Manager 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 Manager will conduct all transactions with or for the Fund at arm's length.
- 87.** The Trustee, the Manager, the Investment Adviser (and/or certain of its affiliates), the Investment Adviser's ultimate holding company Straits Trading (and/or certain of its affiliates), and any Connected Person or Associate of the Trustee, the Manager, the Investment Adviser (and/or certain of its affiliates) and Straits Trading (and/or certain of its affiliates) may:
- a) purchase, hold, deal in or dispose of Units;
 - b) contract or enter into any financial, banking, insurance, brokerage or other transaction with one another, Holders, Participating Dealers or any corporation or body any of whose securities form part of the Deposited Property of the Fund, make profits from such contracts or other transactions and be interested in any such corporation or body; and
 - c) invest in and deal with securities or any property of the kind included in the Deposited Property of the Fund or any other investments for their respective individual accounts or for the account of a third party or enter into contracts or other arrangements with one another and make profits from these activities.
- 88.** Neither the Manager nor any of its Associates is or will become entitled to receive any part of any brokerage charged to the Fund, or any part of any fees, allowances, benefits, etc received on purchases charged to the Fund.
- 89.** Neither the Trustee nor the Manager may act as principal to buy or sell investments from or to the Trustee for the account of the Fund or otherwise deal as principal with the Fund. However, with the prior written consent of the Trustee, any Connected Person of the Manager may deal as principal in the sale or purchase of securities and other investments to or from the Fund. There will be no obligation on the part of such Connected Person to account to the Fund or to Holders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are entered into on an arm's length basis and at the best price available to the Fund having regard to the kind, size and time of the transaction.
- 90.** Any cash of the Fund may be deposited with any Connected Person of either the Trustee or the Manager or invested in certificates of deposit or banking investments issued by any such Connected Person.
- 91.** With the prior written consent of the Trustee, the Manager may effect transactions by or through the agency of another person for the account of the Fund with whom the Manager or any of its Connected Persons have an arrangement for the supply of goods, services or other benefits.
- 92.** Where the Manager or any Connected Person of the Manager receives any cash rebate of all or any part of any commission paid out of the Fund, the Manager or that Connected Person shall not be entitled to retain that cash rebate but shall account for and pay the same to the Trustee to be held as property of the Fund.
- 93.** The Manager may, in accordance with applicable law and regulation, effect agency cross transactions where both the sale and purchase of an investment are effected for clients (including the Fund on the one hand) of the Manager and/ or its Connected Persons provided that the sale and purchase decisions are in the interests of both clients, permitted within the investment guidelines/objectives of both clients and the transactions are executed on an arm's length basis

and at the best price available to the Fund having regard to the kind, size and time of the transaction.

94. The Manager may, in the course of its business, have potential conflicts of interest with the Fund. In such circumstances, the Manager will have regard to its obligations under the Trust Deed and, in particular, to its obligation to act in the best interests of the Fund and the Holders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. If such conflicts do arise, the Manager will use its best efforts to resolve such conflicts fairly.
95. In respect of voting rights where the Manager may face a conflict between its own interest and that of the Holders, the Manager shall cause such voting rights to be exercised in consultation with the Trustee.
96. The Trustee is presently also offering registrar and valuation services to the Fund. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property of the Fund under the provisions of the Trust Deed.
97. The Manager and the Trustee will conduct all transactions with or for the Fund on an arm's length basis.
98. The Manager or the Trustee or the Investment Adviser or their respective affiliates (together the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of the Fund. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement and that any such activities will be conducted on an arm's length basis. 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.
99. Subject to the provisions of the Trust Deed, the Manager or the Trustee may purchase, hold, deal in or dispose of Units provided that any such transaction shall be on an arm's length basis. If any conflict of interest arises as a result of such dealing, the Manager and the Trustee, following consultation with the other, will resolve such conflict in a just and equitable manner as they shall deem fit.
100. As at 31 January 2017, the Investment Adviser is the manager of the SAAIF and a separate managed account. The funds and accounts managed by the Investment Adviser may from time to time invest in entities which the Fund is also invested in. The Investment Adviser is of the view that it is not in a position of conflict in managing its other funds or accounts while acting as an investment adviser to the Manager in respect of the Fund, as the latter role is purely in an advisory capacity and the Investment Adviser does not hold any decision-making powers in relation to the management of the Fund.

The Fund may invest in certain entities which are directly or indirectly owned or managed by (i) Straits Trading, which is the ultimate holding company of the Investment Adviser, and/or certain of its affiliates and/or (ii) ARA Asset Management Limited, which is a strategic partner of Straits Real Estate, and/or certain of its affiliates. Notwithstanding the foregoing, the Investment Adviser is of the view that it is not in a position of conflict as its role as an investment adviser to the Manager in respect of the Fund is purely in an advisory capacity and it does not hold any decision-making powers in relation to the management of the Fund.

XVII REPORTS

101. The Fund's financial year ends on 30 June in each year. 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 Manager's website at www.nikkoam.com.sg. The Reports will be made available on the Manager's website within three (3) months of the financial year-end of the Fund and will remain on the Manager's website for at least 12 months from the date of posting on the Manager's website. The Reports will also be made available on SGXNET. 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 Manager.
102. Holders may obtain electronic copies of the semi-annual report and semi-annual accounts of the Fund (collectively, the "**Semi-Annual Reports**") from the Manager's website at www.nikkoam.com.sg. The Semi-Annual Reports will be made available on the Manager's website within two (2) months of the end of the period covered by the relevant report and accounts and will remain on the Manager's website for at least 12 months from the date of posting on the Manager's website. The Semi-Annual Reports will also be made available on SGXNET. 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 Manager.

XVIII QUERIES AND COMPLAINTS

103. You may call the telephone number 1800 535 8025 to reach the Manager to raise any queries or make any complaints.

XIX OTHER MATERIAL INFORMATION

104. Trading Units on the SGX-ST

Units of the Fund are listed for trading on the secondary market on the SGX-ST. Units can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. Although Units are generally purchased and sold in "board lots" of 100 Units, brokerage firms may permit investors to purchase or sell Units in

smaller “odd-lots”, although prices of Units traded in “odd-lots” may differ slightly from Units purchased and sold in “board lots”. When buying or selling Units through a broker, investors will incur customary brokerage commissions and charges and stamp duty, and investors may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. Unit prices are reported in Singapore dollars and cents per Unit.

105. Book-entry Securities

Units will be deposited, cleared and settled by the CDP. Units are held in book-entry form, which means that no Unit certificates are issued. CDP or its nominee is the registered owner (i.e. the sole Holder of record) of all outstanding Units deposited with the CDP and is therefore recognised as the legal owner of such Units. Investors owning Units are beneficial owners as shown on the records of CDP or the Participating Dealers (as the case may be).

Units' Trading Prices and Designated Market Makers

106. The trading prices of Units on the SGX-ST may differ in varying degrees from their daily NAV and can be affected by market forces such as supply and demand, economic conditions and other factors.

107. It is the intention of the Manager to assist in the creation of liquidity for investors by appointing Designated Market Makers before the listing of the Fund to maintain a market for the Units. Units may be purchased from and sold to the Designated Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. You may obtain a list of appointed Designated Market Makers from the Manager. In maintaining a market for Units, the Designated Market Makers may realise profits or sustain losses in the amount of any differences between the prices at which they buy Units and the prices at which they sell Units. Any profit made by the Designated Market Makers may be retained by them for their absolute benefit and they shall not be liable to account to the Fund in respect of such profits.

108. Additional Listing

The Manager may seek a listing of the Units on any other internationally recognised regulated stock or investment exchange or marketplace having regard to such factors as commercial viability of the proposed listing, legal and regulatory readiness of the market concerned, prevailing market environment, operational requirements and market development. Any costs associated with any such listing will be funded out of the Deposited Property.

109. Distributions

The Manager shall have the absolute discretion to determine whether a distribution is to be made. The Manager currently intends to make quarterly distributions, less the expenses of the Fund, to Holders around January, April, July and October of each year. Where the Manager has determined that a distribution is to be made for any quarter, details of the distributions will be announced on SGXNET. However, there is no assurance that the Manager will declare such distributions. An announcement will be made on SGXNET if no distributions are declared for any particular quarter. The yield on the Units is anticipated to approximate the yield on the Index. There is currently no dividend reinvestment service. On each distribution, in relation to each distribution period as determined by the Manager, the Trustee will allocate for distribution among the Holders of the Fund as at the Record Date such amount that the Manager determines to be distributed in its absolute discretion. Amounts to be distributed in respect of each Unit will be rounded down to the nearest S\$0.01 per Unit. The Record Dates may be changed, or added to, as determined by the Manager with the approval of the Trustee. Distributions will only be paid to the extent that they are available for distribution pursuant to the Trust Deed. Income received by the Fund pending distribution may be invested by the Manager in a manner consistent with achieving the investment objective of the Fund. Any monies payable to a Holder which remain unclaimed after a period of twelve months shall be accumulated by the Trustee in a special account (the “**Unclaimed Monies Account**”) and, subject to Clause 33 of the Trust Deed, the Trustee shall cause such sums which represent monies unclaimed by a Holder for more than six (6) years and interest, if any, earned thereon to be paid into court after deducting all fees, costs and expenses incurred in relation to such payment from the sum thereof provided that if the said sum is insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.

Taxation Considerations

110. As with any investment, you should consider how your investment in Units will be taxed. The tax information in this Prospectus is provided as general information and does not constitute tax or legal advice. You should consult your own tax advisers about the tax consequences of an investment in Units.

Singapore Tax

111. The following summary of certain Singapore income tax consequences of the purchase, ownership and disposition of Units is based upon laws and regulations now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Units and does not purport to deal with the consequences of application to all categories of investors, some of which may be subject to special rules. The comments herein are not binding on the Singapore tax authorities and there can be no assurance that it will not take a position contrary to any of the comments herein. You are advised to consult your own tax advisers concerning the application of Singapore

tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of Units arising under the laws of any other tax jurisdictions.

112. Taxation of the Fund

- The Designated Unit Trust scheme (“**DUT scheme**”) is administered on a self-assessment basis. The Fund must meet the specified conditions of the DUT scheme throughout the basis period for each year of assessment and a declaration form is to be submitted to the IRAS on an annual basis. In addition, unless further extended, the DUT scheme will expire on 31 March 2019. Even if the DUT scheme were to expire on 31 March 2019, the Fund may continue to enjoy the Designated Unit Trust status if it continues to meet all the specified conditions of the DUT scheme and the annual declaration form is submitted to the IRAS within the specified time limit.
- Under Section 35(12) of the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”), subject to certain conditions, the following income (hereinafter termed as “**Designated Income**”) will not form part of the statutory income of the Fund and is thus not taxable at the Fund’s level:
 - gains or profits derived from Singapore or elsewhere from the disposal of securities;
 - interest (other than those where Singapore withholding tax has been deducted);
 - dividends derived from outside Singapore and received in Singapore;
 - gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
 - distributions from foreign unit trusts derived from outside Singapore and received in Singapore;
 - fees and compensatory payments (other than those where Singapore withholding tax has been deducted) from certain securities lending or repurchase arrangements with specified counterparties;
 - rents and any other income derived from any immovable property situated outside Singapore and received in Singapore;
 - discount derived from outside Singapore and received in Singapore;
 - discount from Qualifying Debt Securities (“**QDS**”) (as defined under Section 13(16) of the Income Tax Act) issued during the period from 17 February 2006 to 31 December 2018;
 - gains or profits derived from the disposal of debentures, stocks, shares, bonds or notes issued by supranational bodies;
 - prepayment fee, redemption premium and break cost from QDS issued during the period from 15 February 2007 to 31 December 2018; and
 - such other income directly attributable to QDS issued on or after a prescribed date, as may be prescribed by regulations.

Unless otherwise exempt from tax, any income not falling within the prescribed list of Designated Income (“**non-Designated Income**”) will generally be subject to tax at the prevailing corporate income tax rate, currently 17%. The tax on such income will be assessed on the Trustee in its capacity as the trustee of the Fund.

Distributions made by the Fund to all Holders will not attract Singapore withholding tax.

113. Taxation of Holders

Distributions from the Fund

Individuals

Individuals (whether resident in Singapore or not) are exempt from Singapore income tax on distributions made by the trustee of any collective investment scheme constituted as a unit trust authorised under Section 286 of the Securities and Futures Act and the units of which are offered to the public for subscription. This tax exemption does not apply to distributions derived by individuals through a partnership in Singapore or from the carrying on of a trade, business or profession.

As the Fund is a collective investment scheme constituted as a unit trust authorised under Section 286 of the Securities and Futures Act and the units of which are offered to the public for subscription, the aforesaid tax exemption will apply to distributions made by the Fund. Individuals who derive the distributions through a partnership in Singapore or from the carrying on of a trade, business or profession will be subject to tax on distributions of Designated Income at their own applicable tax rates.

Non-individuals

Foreign investors

All distributions of Designated Income to Holders who are “foreign investors” are exempt from Singapore income tax.

With effect from 30 May 2014, the term “foreign investor” is defined in Section 10(23) of the Income Tax Act in relation to a non-individual as:

- a company which is neither resident in Singapore nor carrying on business through a permanent establishment in Singapore where not less than 80% of the total number of its issued shares are beneficially owned, directly or indirectly, by persons who are not citizens of Singapore and not resident in Singapore; and
- a trust fund where at least 80% of the value of the fund is beneficially held, directly or indirectly, by individuals who are not resident in Singapore or by companies which are foreign investors or by both and, unless waived by the Singapore Minister for Finance or such person as he may appoint, where:
 - the fund is created outside Singapore; and
 - the trustees of the fund are neither citizens of Singapore nor resident in Singapore, nor do they carry out duties as such trustees through a permanent establishment in Singapore.

In general, any non-Designated Income is subject to a final tax at the Fund’s level. Any distributions made out of non-Designated Income will not be subject to further Singapore income tax in the hands of a foreign investor.

Distributions paid by the Fund out of non-Designated Income that is exempt from income tax will be exempt in the hands of such Holders.

Other Holders

Other Holders (i.e. those who are neither individuals nor foreign investors) are generally subject to Singapore income tax on the gross amount of the distributions paid out of Designated Income by the Fund. Such distributions are deemed to be income of such Holders and will be taxed at the Holders’ own applicable tax rates. In the case of a corporate Holder, the current income tax rate is 17%. In general, any non-Designated income is subject to a final tax at the Fund’s level. Any distributions made out of non-Designated Income will not be subject to further Singapore income tax in the hands of such Holders.

Distributions paid by the Fund out of non-Designated Income that is exempt from income tax will be exempt in the hands of such Holders.

Deeming of undistributed Designated Income as taxable income to certain Holders

Under Section 10(20B) of the Income Tax Act, any undistributed Designated Income as at the applicable relevant date (which is a date on or after 1 June 2015) will be deemed as income taxable on such relevant date in the hands of certain Holders under the following scenarios:

- (a) the unit trust is dissolved, and is a DUT for the year of assessment for the basis period in which the dissolution occurred;
- (b) the unit trust is not a DUT within the meaning of Section 35 for any year of assessment;
- (c) the trustee fails to elect under Section 35(12B) for Section 35(12) to apply to his income for any year of assessment;
- (d) the trustee elects under Section 35(12B) for Section 35(12) to apply to his income derived in only a part of the basis period for any year of assessment.

Section 10(20B) of the Income Tax Act applies to the following persons:

- (i) a Holder who is not an individual and not a foreign investor;
- (ii) a Holder who is an individual and not a foreign investor, and who holds the Units for the purposes of a trade, profession or business;
- (iii) a partner who is not an individual and not a foreign investor, of a partnership which is a Holder;
- (iv) a partner who is an individual and not a foreign investor, of a partnership in Singapore which is a Holder.

An individual is not a foreign investor if the individual is resident in Singapore.

Such Holders will be taxed on their proportionate share of the undistributed Designated Income based on the distribution policy in the trust deed or their respective holdings in the Fund as at the aforesaid relevant date. A Holder who is an

individual resident in Singapore would not be taxed on his proportionate share of the undistributed Designated Income that relates to gains or profits derived from Singapore or elsewhere from the disposal of securities.

114. Disposal or redemption of Units

Singapore does not impose tax on capital gains. Any gains on disposal or redemption of Units are not liable to Singapore income tax provided Units are held as investment assets. Where Units are held as trading assets of a trade or business carried on in Singapore, any gains on disposal or redemption of Units are liable to Singapore income tax under Section 10(1)(a) of the Income Tax Act. Where Units were purchased with the intention or purpose of making a profit by disposal or redemption and not with the intention to be held for long-term investment purposes, any gains on disposal or redemption of Units could be construed as “gains or profits of an income nature” liable to tax under Section 10(1)(g) of the Income Tax Act.

Holders who have not opted out of the tax treatment provided under Section 34A of the Income Tax Act (which is applicable to persons who are required to prepare or maintain financial accounts in accordance with Singapore Financial Reporting Standard 39), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on Units, irrespective of disposal.

Holders who may be subject to the tax treatment under Section 34A of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of Units.

115. Meetings of Holders

The Trust Deed sets out procedures to be followed in respect of meetings of the Holders, including provisions as to the giving of notice, appointment of proxies and quorum. A meeting of Holders duly convened and held in accordance with the provisions of the First Schedule of the Trust Deed shall be competent by Extraordinary Resolution:

- (i) to sanction any modification, alteration or addition to the provisions of the Trust Deed which shall be agreed by the Trustee and the Manager as provided in Clause 39 of the Trust Deed;
- (ii) to sanction an increase in the maximum permitted limit or any change in the structure of the fees payable to the Manager and/or the Trustee as provided in Clause 23 of the Trust Deed;
- (iii) to sanction any alteration of the investment objective as provided in Clause 17.1 of the Trust Deed;
- (iv) to remove the Auditors as provided in Clause 22 of the Trust Deed;
- (v) to remove the Trustee as provided in Clause 30 of the Trust Deed;
- (vi) to remove the Manager as provided in Clause 31 of the Trust Deed;
- (vii) to direct the Trustee to take any action pursuant to Section 295 of the SFA;
- (viii) to terminate the Fund as provided in Clause 32 of the Trust Deed;
- (ix) to permit other types of fees payable out of the Deposited Property; and
- (x) to sanction such other matters as may be proposed by the Manager or the Trustee,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee.

All expenses of and incidental to the holding of a meeting in accordance with the provisions of the First Schedule of the Trust Deed or the circulation of resolutions shall be paid out of the Deposited Property. The Manager, the Custodian and any of their respective Connected Persons are prohibited from voting their beneficially held Units at, or being part of a quorum for, any meeting to approve any matter which it or he has a material interest in the business to be conducted.

Amending the Trust Deed without Holders' Approval

116. The Trustee and the Manager shall be entitled to alter, modify or vary the terms of the Trust Deed by deed supplemental thereto (and without the sanction of an Extraordinary Resolution) if the Trustee certifies that such alteration, modification or variation:

- (a) does not materially prejudice the interests of the Holders and does not release to any material extent the Manager from any responsibility to the Holders;
- (b) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or
- (c) is made to remove obsolete provisions or to correct manifest errors.

117. No alteration, modification or variation whether or not approved by an Extraordinary Resolution, shall impose upon any Holder any obligation to make any further payments in respect of any of the Units held by him or to accept any liability in respect thereof.
118. All of the costs and expenses incurred by the Trustee or the Manager in connection with any such supplemental deed referred to in paragraph 116 of this Prospectus or entered into to effect any alteration, modification or variation approved by an Extraordinary Resolution (including expenses incurred in the holding of a meeting of Holders, where necessary) may be charged to the Fund.
119. Indemnities in favour of Trustee and Manager

The Trust Deed includes the following indemnities in favour of the Trustee and the Manager. Please refer to the Trust Deed for more information.

- (a) Neither the Manager nor the Trustee shall incur any liability by reason of any loss which a Holder may suffer by reason of any depletion in the Value of the Deposited Property which may result from any borrowings made pursuant to Clause 18 of the Trust Deed by reason of fluctuations in the rates of exchange or increases in interest rates and or expenses charged in connection with such borrowings and the Trustee and the Manager shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of Clause 18 of the Trust Deed and the arrangements referred to therein.
- (b) Any indemnity expressly given to the Trustee or to the Manager in the Trust Deed is in addition to and without prejudice to any indemnity or right of contribution allowed by law and all the powers, privileges, rights and immunities expressly given to the Trustee or to the Manager are in addition to and without prejudice to any powers, privileges, rights and immunities granted to the Trustee or to the Manager by law provided that no provision in the Trust Deed shall in any case where the Trustee or the Manager have failed to show the degree of care and diligence required of them as trustee and manager of the Fund, exempt them or indemnify them against any liability for breach of trust.
- (c) The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, participate in, prosecute or defend any action or suit in respect of the provisions of the Trust Deed or in respect of the Deposited Property or any part thereof or any action by any other person which in its opinion would or might involve it in expense or liability unless the Manager shall so request in writing and the Trustee shall be indemnified out of the Deposited Property to its satisfaction. Without prejudice to the foregoing, the Trustee shall promptly send to the Manager a copy of all notices of claims or proceedings (or threatened claims or proceedings) which it receives from third parties in respect of the Fund. The Trustee shall give to the Manager all such information and assistance (subject as otherwise provided in the Trust Deed) as the Manager may reasonably request in writing in relation to all such notices.
- (d) The Trustee (and its directors, officers and employees) shall not be liable, except to the extent of any fraud, negligence or wilful default on its (or their) part, and shall, except to the extent of any fraud, negligence or wilful default on its (or their) part, be indemnified and held harmless out of the Deposited Property (in addition to any right of indemnity given by law) against any action, costs, claims, damages, expenses or liabilities to which it (or they) may be put or which it (or they) may incur by virtue of the Trustee acting as trustee of the Fund, executing the trusts of the Trust Deed or in the exercise of any powers, authorities or discretions vested in the Trustee under the Trust Deed, and the Trustee shall for such purpose have recourse to the Deposited Property or any part thereof. Subject to the foregoing and as otherwise provided in the Trust Deed, the Trustee shall in the exercise of the powers, authorities and discretions vested in it act in the exclusive interests of the Holders.
- (e) Subject to the provisions of the CIS Code, the Manager (and its directors, officers and employees) shall not be liable, except to the extent of any fraud, negligence or wilful default on its (or their) part, and shall, except to the extent of any fraud, negligence or wilful default on its (or their) part, be indemnified and held harmless out of the Deposited Property (in addition to any right of indemnity given by law) against any action, costs, claims, expenses, damages or liabilities to which it (or they) may be put or which it (or they) may incur as a result of the Manager acting as manager of the Fund, managing and administering the trusts under the Trust Deed or in the exercise of any powers, authorities or discretions vested in the Manager under the Trust Deed, and the Manager shall for such purpose have recourse to the Deposited Property or any part thereof. In any event, for the purposes of the Trust Deed, the Manager shall not be liable for any indirect, special or consequential loss (including, without limitation, loss of profits) or punitive damages. Subject to the foregoing and as otherwise provided in the Trust Deed, the Manager shall in the exercise of the powers, authorities and discretions vested in it act in the exclusive interests of the Holders.
- (f) Without prejudice to Clauses 28.8 and 28.18 of the Trust Deed, neither the Trustee or the Manager shall be responsible for any negligence, recklessness, bad faith, fraud, default, misconduct, inaccuracy, omission, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of the Index Licensor (or any of its Connected Persons, employees or affiliates) in connection with their compilation or publication of the Index nor anything which the Index Licensor (or any of its Connected Persons, employees or affiliates) shall do or omit to do relating to the Index. In the event that the Trustee and/or the Manager has any liability whatsoever to the Index Licensor pursuant to the terms of the Licence Agreement (including, but not limited

to, under any representation, warranty and/or indemnity that the Trustee or, as the case may be, the Manager gives thereunder) or to any Holder of the Units or any other person from the use of the Index or any data included therein, except to the extent of any fraud, negligence or wilful default on the part of the Trustee or the Manager, the Trustee and the Manager shall be indemnified and held harmless against such liability and shall have recourse to the Deposited Property or any part thereof in respect of all of such liability.

- (g) Subject to any applicable laws and to the Trust Deed and without prejudice to any rights of indemnity by law given to trustees, the Trustee shall be entitled for the purposes of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Manager to reimburse the Trustee out of the Deposited Property in respect of all such matters as fall within Clause 23.2 of the Trust Deed.
- (h) The Manager shall indemnify and hold harmless the Trustee for itself as trustee and for each of its affiliates and its and their respective directors, officers, employees or agents from and against all or any actions, proceedings, liabilities, costs, claims, damages, expenses (including all legal, professional and other similar expenses) or demands to which each may respectively be put or suffer respectively arising from the Manager's fraud, wilful default or negligence.
- (i) Where the Manager provides instructions, notices, documents or other information to the Trustee by way of facsimile or electronic transmission (collectively "**Faxed or Electronic Information**"), the fact that a transmission report produced by the originator of such transmission discloses that the transmission was sent will not be sufficient proof of receipt by the Trustee. The Manager shall indemnify and hold harmless the Trustee and its directors, officers, employees or agents, on an after tax basis from and against any and all actions, losses, costs, charges, expenses and demands of any and every kind which may at any time hereafter be incurred by the Trustee in consequence of accepting and acting upon Faxed or Electronic Information from the Manager, whether or not such Faxed or Electronic Information was given or sent or purported to have been given or sent by the Manager or other person duly authorised to give such Faxed or Electronic Information, except where such actions, losses, costs, charges, expenses and demands are incurred as a result of the fraud or wilful default or gross negligence of the Trustee or its directors, officers, employees or agents.
- (j) The Manager shall not do or commit any act or matter or thing which would otherwise cause the Trustee to be in breach of its legal and/or regulatory obligations or its obligations under the data protection policy of the Trustee, and the Manager shall fully defend, indemnify and hold harmless the Trustee, its related corporations or associated companies as well as their respective employees, representatives, agents and officers from and against any loss, damage, claims, complaints, demands, fines, penalties, expenses, costs (including legal fees) and legal proceedings that each or all or any of them may suffer or incur as a result of the failure of the Manager, the Manager's employees, representatives, agents to comply with the Manager's obligations set out in the Fourth Schedule to the Deed, any of the terms and conditions of the Trust Deed, or the breach or non-compliance by the Manager, the Manager's employees, representatives, agents of any data protection or privacy law in any relevant jurisdiction including without limitation any similar laws that may be enacted or in existence, from time to time, in Singapore.

Termination of the Fund

- 120.** Notwithstanding the termination of the Fund, the Holder of any Unit in respect of which any amount remains unpaid shall remain liable for such amount until payment to that Holder by the Trustee of the final distribution to be made in accordance with the Trust Deed.
- 121.** The Fund is of indeterminate duration and can only be terminated in accordance with the Trust Deed. The Fund may be terminated by the Trustee, with the prior approval of the Manager (except in the case of sub-paragraphs (i), (iv), (vii), (viii) and (ix) below whereupon the Trustee may terminate the Fund forthwith) by notice in writing as hereinafter provided in any of the following events, namely:
- (i) if it becomes illegal to continue the Fund;
 - (ii) if in the opinion of the Trustee it becomes impossible or impracticable to continue the Fund;
 - (iii) if the Units cease to be listed on the SGX-ST;
 - (iv) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the Securities and Futures Act;
 - (v) if the Index ceases to be compiled or published, and there is no Successor Index;
 - (vi) if the Licence Agreement is terminated and a new licence agreement relating to the Index or any Successor Index is not entered into by the Manager within three (3) months thereafter;
 - (vii) if the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms notified in writing to the Trustee two (2) months before the effective date of liquidation) or shall be adjudged a bankrupt or insolvent or appoints a liquidator or if a judicial manager or a

receiver shall be appointed in respect of the property or undertaking of the Manager or any part thereof or the Manager is the subject of any analogous proceedings or procedure in each case under the law of Singapore or such other law as may be applicable in the circumstances where, after the expiration of a period of three months, the Trustee has not appointed a new manager in accordance with Clause 31.3 of the Trust Deed;

- (viii) if on the expiration of three (3) months after notifying the Manager that in the Trustee's opinion a change of manager is desirable in the interests of the Holders pursuant to Clause 31.1.2 of the Trust Deed the Trustee has not found another company ready to accept the office of manager of the Fund of which the Trustee and the Authority shall approve; or
- (ix) if the Trustee has given three months' written notice to the Manager of its intention to retire in accordance with the provisions of the Trust Deed and no other company eligible to be the trustee of the Fund in accordance with the Securities and Futures Act and approved by the Manager and the Authority can be found by the expiration of the three months' notice.

122. The Fund may also be terminated by the Manager, with the prior approval of the Trustee (except in the case of subparagraphs (i), (iv) and (ix) below whereupon the Manager may terminate the Fund forthwith) by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if it becomes illegal to continue the Fund, or if in the opinion of the Manager, it becomes impossible or impracticable to continue the Fund and termination of the Fund is in the best interest of Holders;
- (ii) if the Fund shall become liable to taxation (whether in Singapore or elsewhere) in respect of income or capital gains at a rate considered by the Manager to be excessive in relation to the rate which would be borne by the Holders if they owned directly the Index Securities and non-Index Securities in question;
- (iii) if the Units cease to be listed on the SGX-ST;
- (iv) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the Securities and Futures Act;
- (v) if the Index ceases to be compiled or published, and there is no Successor Index;
- (vi) if the Licence Agreement is terminated and a new licence agreement relating to the Index or any Successor Index is not entered into by the Manager within three (3) months thereafter;
- (vii) if the size of the Fund falls below S\$100 million on any day falling two (2) years or more after the date of the Trust Deed;
- (viii) if the average of the daily Value of the Deposited Property is less than S\$100 million over any rolling three-month period; or
- (ix) if the Manager has given three months' written notice to the Trustee of its intention to retire in accordance with the provisions of the Trust Deed and no other company eligible to be the manager of the Fund in accordance with the Securities and Futures Act and approved by the Trustee and the Authority can be found by the expiration of the three months' notice.

The decision of the Trustee and/or the Manager in any of the events specified in paragraphs 121 and 122 shall be final and binding upon all parties concerned but the Trustee and/or the Manager shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph or otherwise.

123. The party terminating the Fund shall give written notice of termination of the Fund to the Holders in the manner herein provided and shall by such notice fix the date at which such termination is to take effect, which date shall not be less than three (3) months after the service of such notice (except where the Fund is terminated by reason that it is illegal to continue in accordance with paragraph 121(i) or paragraph 122(i) in which case termination may take effect forthwith without any prior notice to Holders).

124. The Fund may be terminated at any time by Extraordinary Resolution of the Holders and such termination shall take effect from the date on which such Extraordinary Resolution is passed or such later date (if any) as the Extraordinary Resolution may provide.

125. The Manager shall give prior written notice of the termination of the Fund to the Authority in accordance with the CIS Code and the Securities and Futures Act.

126. In the event of termination of the Fund, the Manager shall provide such information, documents and assistance as may be necessary or reasonably required by the Trustee to enable the Trustee to fulfil its obligations under the Trust Deed, the CIS Code and the Securities and Futures Act.

127. Upon the Fund being terminated, the Manager and/or the Trustee shall sell or realise all Investments in the manner provided in Clause 33.1 of the Trust Deed. Subject to Clause 33.3 of the Trust Deed, the Trustee may at such time or times as it may deem convenient distribute *in specie* to the Holders pro rata to the number of Units held or deemed

to be held by them respectively all Index Securities and non-Index Securities then remaining in its hands as part of the Deposited Property. Each Holder shall be entitled to receive approximately a proportionate amount of each type of Index Security and non-Index Security (provided that no fraction of any Index Security or non-Index Security shall be distributed) available for distribution together with a balancing payment in cash in the case of Holders who shall not receive the full proportionate amount of any Index Securities and non-Index Securities and for such purpose the Manager and/or the Trustee may sell any Index Securities and non-Index Securities remaining in its hands as part of the Deposited Property. Such distribution, and the distribution of any income from the Income Account (as defined in the Trust Deed), shall be carried out and completed in such manner and within such period after the termination of the Fund as the Trustee in its absolute discretion thinks advisable.

- 128.** The Trustee shall be entitled to retain any moneys or Index Securities or non-Index Securities in its hands under the provisions of Clause 33 of the Trust Deed to the extent required, in its absolute discretion, to make full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee being either in connection with or arising out of the liquidation of the Fund or otherwise properly payable out of the Deposited Property in accordance with the Trust Deed or law and out of the moneys so retained to be indemnified and saved harmless against any costs, charges, expenses, claims and demands.
- 129.** Any unclaimed Index Securities and non-Index Securities held by the Trustee under the provisions of Clause 33 of the Trust Deed may at any time after the expiration of twelve (12) months from the date on which the same were to be distributed under Clause 33.2 of the Trust Deed be sold by the Manager and/or the Trustee and the net proceeds together with any unclaimed cash held by the Trustee at such time be paid into Court subject to the right of the Trustee to deduct therefrom any expenses it may incur in carrying out Clause 33 of the Trust Deed.
- 130.** No further Units shall be issued and no outstanding Units may be redeemed from the time of and upon liquidation of the Fund.

Remuneration of Manager and Trustee

- 131.** The Manager shall, in addition to any other amounts which it is entitled to receive or retain for its own use and benefit under the Trust Deed, be entitled to receive for its own account out of the Deposited Property as soon as practicable after the last Dealing Day in each month in each year, commencing with the month in which the initial Units of the Fund are issued (until, upon determination of the Fund, the final distribution shall have been made pursuant to the Trust Deed), the amount of Management Fee payable in respect of such month accrued and remaining unpaid. The Management Fee shall accrue on a daily basis. The amount of the Management Fee shall not exceed a maximum of zero-point-seven per cent. (0.7%) per annum of the average daily Value of the Deposited Property provided that (i) the Manager may at any time charge a smaller percentage with authority, and on giving notice to the Trustee and at least one month's prior notice to the Holders, increase it to a larger percentage not greater than the percentage permitted by the Trust Deed; (ii) the Manager may, on giving notice to the Trustee, at any time alter the dates of payment and basis of accrual provided that, in the opinion of the Trustee, it does not materially prejudice the interests of the Holders and at least one (1) month's prior notice is given to the Holders (if required under the CIS Code); and (iii) the Manager may not increase the Management Fee to a percentage greater than the percentage permitted by the Trust Deed or change the structure of the fees payable to the Manager without the sanction of an Extraordinary Resolution.
- 132.** The Trustee shall, in addition to any other amounts which it is entitled to receive or retain for its own use and benefit under this Trust Deed, be entitled to receive for its own account out of the Deposited Property as soon as practicable after the last Dealing Day in each month in each year, commencing with the month in which the initial Units are issued (until, upon determination of the Fund, the final distribution shall have been made pursuant to the Trust Deed) the amount of Trustee Fee payable in respect of such month accrued and remaining unpaid. The Trustee Fee shall accrue on a daily basis. The amount of Trustee Fee shall not exceed a maximum of zero-point-zero-five per cent. (0.05%) per annum of the average daily Value of the Deposited Property subject to a minimum fee of S\$15,000 per annum provided that (i) the Trustee may at any time charge a smaller percentage with authority, and with the prior approval of the Manager and on giving at least one month's prior notice to the Holders, increase it to a larger percentage not greater than the percentage permitted by the Trust Deed; and (ii) the Trustee may, with the prior approval of the Manager, at any time alter the dates of payment and basis of accrual if, in the opinion of the Trustee, it does not materially prejudice the interests of the Holders and at least one (1) month's prior notice is given to the Holders (if required under the CIS Code); and (iii) the Trustee may not increase the Trustee Fee to a percentage greater than the percentage permitted by the Trust Deed or change the structure of the fees payable to the Trustee without the sanction of an Extraordinary Resolution.

Costs and Expenses Payable by the Fund

- 133.** The following is a summary of the fees, costs and expenses which under the provisions of the Trust Deed, the Trustee and the Manager shall be entitled to make payment out of the Deposited Property to the extent they have been incurred in relation to the Fund:
- (i) all fees paid to the Authority in connection with or arising out of the Fund and/or its authorisation pursuant to the Securities and Futures Act and, if and for so long as the Fund is designated as a CPFIS Included Fund all fees paid to the CPF Board and its agents in connection with the Fund being designated as a CPFIS Included Fund;
 - (ii) any costs, fees and expenses to be paid under any licence and data supply contracts entered into by the Trustee and/or the Manager in respect of the Fund (including, without limitation, the Licence Agreement);

- (iii) all fees and expenses to be paid to liquidity providers (including, without limitation, any stipends or incentives to be paid to the designated market makers of the Fund);
- (iv) all stamp and other duties, taxes, governmental charges, brokerage, commissions, exchange costs and commissions and bank charges in relation to transactions involving the whole or any part of the Deposited Property or on the creation, cancellation or redemption of Units or payable in respect of the Trust Deed;
- (v) all professional fees relating to the agreeing and/or contesting of taxation liabilities or recoveries to be discharged out of or paid into the Fund;
- (vi) the fees and expenses of any person (including, without limitation, the Trustee and the Manager) acting as the Registrar, the administrator for the Fund and the Custodian, pursuant to the terms of the agreements entered into by the Trustee and/or the Manager with the Registrar, the administrator for the Fund or the Custodian respectively;
- (vii) the charges, expenses and disbursements of any legal counsel, accountant, auditor, investment adviser, valuer, broker or other professional person appointed by the Trustee or the Manager in connection with their respective duties in relation to the Fund, the trusteeship and/or the management and administration of the Deposited Property;
- (viii) all charges, expenses and disbursements incurred in relation to the safe-custody, acquisition, holding, realisation of or other dealing with any Investment for the account of the Fund (including, without limitation, bank charges, Duties and Charges, telex and facsimile and other communication charges);
- (ix) all charges and expenses incurred by the Manager and the Trustee insuring the assets and property of the Fund;
- (x) all charges and expenses incurred by the Manager and the Trustee in conducting legal proceedings or applying to any court for any purposes related to the Fund;
- (xi) all charges and expenses incurred by the Manager and the Trustee in communicating with each other and with Holders, the Registrar, the Custodian, the administrator for the Fund, the Participating Dealers or otherwise in relation to the Fund;
- (xii) all charges and expenses incurred by the Manager and the Trustee in connection with the meetings of Holders;
- (xiii) the fees and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of Units on or delisting the Units from the SGX-ST or any other securities exchange, and/or the authorisation or other official approval or sanction of the Fund under the Securities and Futures Act or any other law or regulation in any part of the world and/or the designation of the Fund as a CPFIS Included Fund;
- (xiv) the fees, costs, charges and expenses incurred in connection with depositing and holding Units in the CDP (including, without limitation, (i) the fees, costs, charges and expenses of or charged by the CDP arising out of or in connection with any services to be provided by the CDP in relation to the Fund or the Units and (ii) the fees, costs, charges and expenses incurred by the Manager or the Trustee in the performance of their respective duties or obligations under any agreement with the CDP in relation to the Fund or the Units);
- (xv) all costs incurred in respect of the calculation and publication of the Value per Unit and/or the Issue Price and the Redemption Price and/or prices for Units and/or the suspension of creations and issues and redemptions of Units in such newspaper or newspapers in Singapore and elsewhere as the Manager may from time to time think fit;
- (xvi) to the extent permitted by the CIS Code, all costs incurred in respect of the maintenance of a website or webpage dedicated entirely to the Fund;
- (xvii) all fees, costs and expenses incurred in respect of preparing, printing, distributing and updating this Prospectus and the product highlights sheet for the Fund, and any supplementary and replacement prospectuses relating to the Fund;
- (xviii) all fees, costs and expenses incurred in respect of preparing any deeds supplemental to the Trust Deed and in respect of preparing any agreement in connection with the Fund;
- (xix) all costs incurred in respect of the preparation, publication and distribution of the audited accounts and unaudited interim accounts in accordance with the Trust Deed and of all cheques, statements, notices and other documents relating to the Fund;
- (xx) all fees and expenses incurred in connection with the retirement or removal of the Manager or the Trustee or the appointment of a new manager or a new trustee for the Fund;
- (xxi) all fees and expenses of the Auditors in connection with the Fund;

- (xxii) all fees and expenses incurred in connection with the retirement or removal of the Auditors or the appointment of new auditors for the Fund;
- (xxiii) all expenses incurred in the collection of income for the Income Account (as defined in the Trust Deed);
- (xxiv) all costs and expenses associated with the distributions declared pursuant to the Trust Deed (including, without limitation, costs and expenses payable in connection with the delivery of distributions to the CDP);
- (xxv) all fees and expenses incurred by the Manager and the Trustee in establishing or terminating the Fund;
- (xxvi) all other reasonable costs, charges and expenses which in the opinion of the Trustee and the Manager are properly incurred in the administration of the Fund and the Deposited Property and pursuant to the performance of their respective duties under the Trust Deed;
- (xxvii) all such charges, costs, expenses and disbursements as under the general law the Trustee is entitled to charge to the Fund;
- (xxviii) all GST paid or to be paid in respect of services rendered to or by the Manager or the Trustee;
- (xxix) any other fees or charges expressly provided by the Trust Deed to be paid out of the Deposited Property;
- (xxx) all taxation payable in respect of income or the holding of or dealings with the Deposited Property;
- (xxxi) any amounts required to indemnify the Trustee pursuant to the Trust Deed; and
- (xxxii) such other items as may be authorised or permitted by the Trust Deed.

134. Except to such extent as the Manager may from time to time determine that the whole or any part of the Management Fee, the Trustee Fee or any costs, charges, fees or expenses (including, without limitation, any interest and expenses referred to in paragraph 133 above) that may be charged against the Deposited Property shall be charged against the Deposited Property, the same shall be charged as far as possible against the Income Account (as defined in the Trust Deed) first.

135. The costs of establishing the Fund (which shall not exceed S\$250,000) may be paid out of the Deposited Property and may be amortised over a period of one (1) year from the date of the first issue of Units.

Valuation of the Fund

136. The Manager shall calculate or procure the calculation of the Value of the Fund and determine its NAV as at each Valuation Point by valuing the Deposited Property in accordance with paragraphs 137 and 138 below, and deducting the liabilities of the Fund in accordance with paragraph 138 below, as at such Valuation Point. The Manager may appoint any professional person who is approved by the Trustee to perform such calculation.

137. The Value of the assets comprised or to be comprised in the Deposited Property shall be ascertained on the following basis:

- (i) The Value of Index Securities and non-Index Securities shall be determined by reference to the last known transacted price or last closing price for such Investments furnished by the Index Licensor, or a pricing service or by selected brokers approved by the Manager and the Trustee ("**Selected Brokers**").
 - (a) The Value of Index Securities may be taken from the Index Licensor (where available). Other acceptable pricing services for Index Securities (where appropriate Values are not available from the Index Licensor) and non-Index Securities include, but are not limited to, FT Interactive, Bloomberg, Reuters and Citigroup Yield Book or any successors thereto.
 - (b) Index Securities and non-Index Securities for which quotations are not readily available are valued at fair value as determined by the pricing service or by Selected Brokers.
 - (c) The pricing service or Selected Brokers may employ electronic data processing techniques and/or a matrix system to determine valuations.
- (ii) The Value of any other Investments quoted, listed or normally dealt in on a Recognised Exchange shall be determined by reference to prices for such Investments furnished by a pricing service approved by the Manager and the Trustee.
 - (a) The pricing service shall be required to determine or estimate the price of each such Investment based on the last known transacted price or last closing price on the most appropriate Recognised Exchange at the Valuation Point.
 - (b) Investments for which quotations are not readily available are valued at fair value as determined by the pricing service using methods which include consideration of prices of Investments of comparable

quality, type, expiration date, strike price, and the like; indications as to value from dealers; and general market conditions.

- (iii) Cash, deposits and similar properties shall be valued at face value (together with accrued interests) unless, in the opinion of the Manager, any adjustment should be made to reflect the fair value thereof.
- (iv) Notwithstanding any of the foregoing sub-paragraphs, the Manager may with the written consent of the Trustee (who shall determine if Holders should be informed of any change in method of valuation) adjust the Value of any Investment or permit some other method of valuation to be used if, having regards to currency, applicable rates of interest, maturity, marketability and such other considerations as the Manager may deem relevant, the Manager considers that such adjustment or other method of valuation is required to reflect more fairly the Value of such Investment or other property.
- (v) Other Investments, and properties other than Investments shall be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree.

138. In calculating the Value of the Deposited Property or any part thereof at any Valuation Point:

- (i) every Unit agreed to be issued in relation to an application received on or before the Dealing Deadline on a Transaction Date shall be deemed to be in issue on the Dealing Day immediately following the Transaction Date and the Deposited Property shall be deemed to include the amount of any cash to be paid and/or received in respect of each such Unit on the Dealing Day immediately following the Transaction Date;
- (ii) where, in consequence of any redemption request duly given pursuant to Clause 14 of the Trust Deed on or before the Dealing Deadline on a Transaction Date, the Units in question shall be deemed not to be in issue with effect from the Dealing Day immediately following the Transaction Date, and any amount payable in cash shall be deducted with effect from the Dealing Day immediately following the Transaction Date;
- (iii) where any Investment has been agreed to be purchased or otherwise acquired or sold or otherwise disposed of but such purchase, acquisition, sale or disposal has not been completed, such Investment shall be included or excluded and the gross purchase or acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed on the Dealing Day immediately following the date of the agreement to so purchase or acquire or sell or dispose of the Investment;
- (iv) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Manager may have determined to amortise pursuant to Clause 23.6 of the Trust Deed less the amount thereof which have previously been or are then to be written off;
- (v) income derived from loans and deposits and from Investments (other than Index Securities and non-Index Securities) bearing fixed interest shall be deemed to accrue from day to day;
- (vi) the outstanding liabilities, costs and expenses attributable to the Fund shall be deducted from the Deposited Property, as the case may require, which shall include (without limitation):
 - (a) any amount of Management Fee and Trustee Fee accrued up to and including the relevant time but remaining unpaid;
 - (b) the amount of tax (if any) on gains or profits accrued up to the end of the last Accounting Period or part thereof but remaining unpaid and any other expenses accrued but remaining unpaid;
 - (c) the aggregate amount for the time being outstanding of any borrowing effected under Clause 18 of the Trust Deed and the amount of any interest and expenses referred to in Clause 18 of the Trust Deed but not paid;
 - (d) an amount equal to the Value of any Investment which is a negative amount;
 - (e) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Trust Deed to be payable out of the Deposited Property;
 - (f) an appropriate allowance for any contingent liabilities; and
 - (g) there shall be taken into account such sum (if any) as in the estimate of the Manager will fall to be paid or reclaimed in respect of taxation related to income and transactions prior to or on the relevant Dealing Day; and
- (vii) liabilities shall (where appropriate) be treated as accruing from day to day.

Valuation policy and performance measurement standards of the Manager

139. 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 Manager's pricing committee will subject to the provisions of the CIS Code and the conditions set out in section XIII of this Prospectus retain the discretion to suspend valuation if deemed necessary. The Manager's 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 CIS Code, the Manager 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 Manager collates and maintains portfolio and series data in the performance systems on a periodic basis and generates performance results to meet reporting requirements. Time-weighted rate of return (TWRR) methodology is adopted for portfolio returns calculation.

Hard-to-value or illiquid assets

140. 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 Manager's pricing and valuation policy. The adjusted price shall be approved by the Manager's pricing committee prior to application.

141. Compulsory Redemption of Units

141.1 The Manager has the right (in consultation with the Trustee) to compulsorily redeem 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 Manager, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (ii) where such redemption is, in the opinion of the Manager, necessary or desirable for the compliance by the Manager 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 Manager:
 - (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 Trust Deed, the Manager 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 Manager:
 - (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 Manager 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 Manager and/or the Trustee pursuant to any laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any 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 Manager 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 Manager, 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.

141.2 If the Manager 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 Manager (in consultation with the Trustee) shall be entitled to compulsorily redeem such number of Units held by that Holder as may be necessary to discharge the liability arising. The Manager and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such redemption in payment, reimbursement and/or set-off against the liability.

141.3 Any compulsory redemption under paragraphs 141.1 or 141.2 may be carried out by the Manager on any Dealing Day after giving prior written notice to the relevant Holder, and shall be carried out in accordance with, and at the Redemption Price determined under, the relevant provisions of the Trust Deed.

141.4 The Manager, the Trustee and their respective delegates, agents or Associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Manager, the Trustee and/or any of their respective delegates, agents or Associates under paragraphs 141.1, 141.2 or 141.3.

142. The Trust Deed

You and your professional advisers should note that this Prospectus only summarises selected provisions of the Trust Deed. The Trust Deed is a legal document which sets out the rights, responsibilities and obligations of the Manager, Trustee and Holders. You may wish to inspect a copy of the Trust Deed at the business address of the Manager indicated in paragraph 5 above. If you have any doubt regarding the contents of this Prospectus, you should contact the Manager at the telephone number provided in paragraph 103 above, or consult your solicitor, financial adviser or other professional adviser.

143. Documents Available for Inspection

You may inspect copies of the following documents at the business address of the Manager during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) the Trust Deed;
- (ii) the Depository Agreement between the Manager, the Trustee and the CDP;
- (iii) the Licence Agreement; and
- (iv) a sample agreement between the Manager, Trustee and Participating Dealers.

XX GLOSSARY

144. Unless the context otherwise requires, the following words or expressions shall have the meanings respectively assigned to them, namely:-

“**Associate**” has the meaning ascribed to it under the Listing Rules;

“**Authority**” means Monetary Authority of Singapore;

“**Business Day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for business;

“**Cash Dealing Day**” means every Dealing Day or such other day(s) as from time to time determined by the Manager with the prior approval of the Trustee;

“**Cash Settlement Date**” has the meaning as ascribed to it in paragraph 56 of this Prospectus or such other time/date as from time to time determined by the Manager with the prior approval of the Trustee;

“**CDP**” means The Central Depository (Pte.) Limited, a wholly-owned subsidiary of Stock Exchange Limited;

“**CIS Code**” means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority;

“**Connected Persons**” has the meaning ascribed to it under the Securities and Futures Act, and the Listing Rules, and in relation to any firm, limited liability partnership or corporation or company (as the case may be) means:

- (a) another firm, limited liability partnership or corporation in which the first mentioned firm, limited liability partnership or corporation has control of not less than twenty per cent. (20%) of the voting power in that other firm, limited liability partnership or corporation; or
- (b) a director, chief executive officer or substantial shareholder or Controlling Shareholder (as defined in the Trust Deed) of the company or any of its subsidiaries or an Associate of any of them;

“**CPF**” means Central Provident Fund;

“**Custodian**” means the Trustee and/or such other person or persons for the time being appointed by the Trustee with the prior approval of the Manager as the custodian of the Fund to hold all the assets and property of the Fund;

“**Dealing Day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for normal trading (other than a day on which trading on the SGX-ST is scheduled to close prior to its regular weekday closing time) and the Index is compiled and published and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee;

“**Dealing Deadline**” means 12 noon (Singapore time) on the relevant Cash Dealing Day, for purposes of the subscription of Units in cash or redemption of Units for cash on any Cash Dealing Day (or such other time as the Manager may determine with the prior approval of the Trustee and prior notification to the Holders at such time and in such manner as the Trustee may require);

“**Deposited Property**” means all the assets (including cash) for the time being held or deemed to be held upon the trusts of the Trust Deed excluding any amount for the time being standing to the credit of the Income Account (as defined in the Trust Deed) which the Manager has determined is to be distributed to the Holders pursuant to Clause 20 of the Trust Deed;

“**Designated Market Maker**” means a person who has entered into an agreement with the Manager to make a market in the Units on the SGX-ST;

“**Ex. Dividend Date**” means each date in each year which falls one (1) Business Day (or such other number of days as may from time to time be determined by the Manager with the prior approval of the Trustee) immediately before a Record Date being the date or dates in each year for the purpose of allocating the income from the Income Account (as defined in the Trust Deed) and/or any capital of the Deposited Property for distribution to Holders of record on the following Record Date;

“**Extraordinary Resolution**” means a resolution proposed and passed as such by a majority consisting of seventy-five per cent. (75%) or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors (as defined in the Trust Deed) named in the depository register as at 48 hours before the time of such meeting as certified by the CDP to the Manager or the Trustee;

“**Former Index Security**” means a share which was formerly, but has ceased to be, an Index Security;

“**Fund**” means the NikkoAM-StraitsTrading Asia ex Japan REIT ETF;

“**Future Index Security**” means a share listed or to be listed on a Recognised Exchange and which the Index Licensor has announced will be included in the Index or which the Manager and the Trustee reasonably believe will be included in the Index within 30 days of including it in the Deposited Property;

“**Holder**” means the person for the time being entered in the register (kept and maintained in Singapore by the Trustee in such manner as may be required by applicable law and regulation) as the holder of a Unit and (where the context so admits) persons jointly so entered;

“**Index**” means the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index or such other index as the Fund may track from time to time;

“**Index Licensor**” means the licensor for the time being of the Index being at the date of registration of this Prospectus, FTSE International Limited, or such successor(s) or such other person(s) which licence the Index or any Successor Index to the Manager in respect of the Fund;

“**Index Securities**” means any securities which are for the time being constituent securities of the Index;

“**Licence Agreement**” means the licence agreement entered or to be entered into between FTSE International Limited and the Manager relating to the “FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index” or any subsequent licence agreement entered into by the Manager with an Index Licensor relating to the Index including any Successor Index.

“**Listing Rules**” means the listing rules for the time being applicable to the listing of the Fund as an investment fund on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time;

“**Market Day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for business;

“**NAV**” means net asset value calculated by reference to the provisions and principles set out in paragraphs 136 to 140 of this Prospectus;

“Notice on the Sale of Investment Products” means the Notice on the Sale of Investment Products issued by the Authority, as the same may be modified, amended or revised from time to time;

“non-Index Securities” means securities other than Index Securities;

“OTC” means over-the-counter;

“Participant Agreement” means an agreement entered into between the Trustee, the Manager, and a Participating Dealer setting out, *inter alia*, the arrangements in respect of the issue, redemption and cancellation of Units;

“Participating Dealer” means any participant who is a broker or dealer or such other person as may be approved by the Manager and the Trustee and who has entered into a Participant Agreement in form and substance acceptable to the Manager and the Trustee;

“REIT” means real estate investment trusts or corporations;

“Recognised Exchange” means an internationally recognised stock or investment exchange or marketplace which is regulated, operates regularly and is open to the public and which is approved by the Trustee and the Manager;

“Record Date” means the date or dates determined by the Manager (with the prior approval of the Trustee) as the date or dates for the purpose of determining the Holders of record entitled to receive any distributions of income and/or capital of the Deposited Property;

“Registrar” means HSBC Institutional Trust Services (Singapore) Limited (Company Registration No.: 194900022R) as described in paragraph 17 of this Prospectus;

“S\$”, “SGD” or “Singapore dollars and cents” means Singapore dollars and cents, the lawful currency of the Republic of Singapore;

“Securities Accounts” means the securities account or sub-account maintained by a Depositor (as defined in the Trust Deed) with CDP;

“Securities and Futures Act” means Securities and Futures Act (Chapter 289) of Singapore;

“SGX-ST” means the Singapore Exchange Securities Trading Limited or any successor thereto;

“Transaction Date” means the Dealing Day (Singapore time) on which the Registrar receives or is treated as having received a valid application for Units in accordance with Clause 9.5 of the Trust Deed or a valid request to redeem Units in accordance with Clause 14.2 of the Trust Deed;

“Unclaimed Monies Account” has the meaning ascribed to it in paragraph 109 of this Prospectus; and

“Valuation Point” means the close of business of the relevant Dealing Day (or such other time or times as from time to time determined by the Manager with the prior approval of the Trustee (who shall determine if Holders should be notified of such change) provided that there shall always be a Valuation Point on each Dealing Day.

“Value” means with reference to the Deposited Property of the Fund or any part thereof, its net asset value, or with reference to any asset or liability comprised or to be comprised in the Deposited Property (except where otherwise expressly stated) the value thereof, calculated by reference to the provisions and principles set out in paragraphs 136 to 140 of this Prospectus.

NIKKO ASSET MANAGEMENT ASIA LIMITED

BOARD OF DIRECTORS

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

Lim Say Boon
Director (signed by Seet Oon Hui Eleanor for
and on behalf of Lim Say Boon)

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

Seet Oon Hui Eleanor
Director

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

APPENDIX 1: Underlying Index

The information presented in this Appendix has been extracted from publicly available documents that have not been prepared or independently verified by the Manager, the Trustee or any of their respective affiliates or advisers in connection with the offering and listing of Units and none of them makes any representation as to or takes any responsibility for the accuracy or completeness of this Appendix. The information presented in this Appendix is subject to change by the Index Licensor.

FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index (Top 10 largest constituent securities as at 31 January 2017)

S/N	Constituents	Weights (%) ³
1	Ascendas Real Estate Investment Trust	10.28
2	CapitaLand Mall Trust	9.88
3	Link Real Estate Investment Trust	9.68
4	Suntec REIT	9.62
5	CapitaLand Commercial Trust	7.03
6	Mapletree Commercial Trust	6.67
7	Fortune Real Estate Investment Trust	5.00
8	Mapletree Industrial Trust	4.77
9	Keppel REIT	4.43
10	Mapletree Greater China Commercial Trust	4.15

³ These percentages have been rounded to two decimal places.

