

**This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, lawyer, accountant, tax adviser or other professional advisers.**

Application was made on 14 July 2006 to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to list and deal in and for quotation of all the units of the Principal FTSE ASEAN 40 (*formerly known as CIMB FTSE ASEAN 40*) (the “**Fund**”) which may be issued from time to time. Such permission has been granted by SGX-ST and the Fund was admitted to the Official List of SGX-ST on 21 September 2006. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Prospectus and admission to the Official List is not to be taken as an indication of the merits of the Fund, the Manager or the units of the Fund.

**See “Risk Factors” commencing on page 35 of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the units of the Fund.**

**PRINCIPAL FTSE ASEAN 40**  
*a Singapore unit trust authorised under*  
**Section 286 of the Securities and Futures Act, Chapter 289 of Singapore**

**PROSPECTUS**  
**(Registered by the Monetary Authority of Singapore on 19 September 2019)**

**MANAGER**

**PRINCIPAL ASSET MANAGEMENT (S) PTE LTD**  
**(FORMERLY KNOWN AS CIMB-PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD.)**

## PRINCIPAL FTSE ASEAN 40

### DIRECTORY

#### MANAGER

Principal Asset Management (S) Pte Ltd  
(Company Registration No. 200607208K)  
50 Raffles Place  
#22-03A & B Singapore Land Tower  
Singapore 048623

#### TRUSTEE

DBS Trustee Limited  
(Company Registration No. 197502043G)  
12 Marina Boulevard  
DBS Asia Central @ Marina Bay Financial Centre  
Tower 3  
Singapore 018982

#### ACCOUNTING AND VALUATION AGENT / CUSTODIAN

State Street Bank and Trust  
Company  
One Lincoln Street,  
Boston, Massachusetts 02111,  
United States of America

#### AUDITORS

Ernst & Young LLP  
One Raffles Quay  
Level 18 North Tower  
Singapore 048583

#### SOLICITORS TO THE MANAGER

Chan & Goh LLP  
50 Craig Road  
#03-01  
Singapore 089688

#### SOLICITORS TO THE TRUSTEE

Rajah & Tann Singapore LLP  
9 Battery Road  
#25-01  
Singapore 049910

## CONTENTS

PRELIMINARY.....	1
DEFINITIONS.....	3
KEY INFORMATION.....	9
PRINCIPAL FTSE ASEAN 40 .....	10
REGISTRATION AND EXPIRY DATE.....	10
INVESTMENT OBJECTIVE.....	10
INVESTMENT POLICY OF THE FUND.....	10
THE INDEX.....	11
INVESTMENT RESTRICTIONS AND BORROWING POLICY OF THE FUND.....	12
MANAGEMENT AND ADMINISTRATION .....	12
BROKERAGE TRANSACTIONS.....	17
SOFT DOLLAR COMMISSIONS / ARRANGEMENTS .....	17
OPERATION OF THE FUND .....	18
DEALING BY RETAIL INVESTORS.....	21
CREATION AND REDEMPTION BY PARTICIPATING DEALERS .....	21
DIRECTED CASH DEALING.....	28
NO CERTIFICATES .....	29
DETERMINATION OF NET ASSET VALUE .....	29
ISSUE PRICE AND REDEMPTION VALUE.....	30
SUSPENSION OF VALUATIONS AND DEALINGS .....	30
DISTRIBUTION POLICY.....	32
FEES, CHARGES AND EXPENSES .....	32
RISK FACTORS.....	34
RISK FACTORS RELATING TO THE INDEX.....	39
DISCLAIMERS.....	39
REPORTS AND ACCOUNTS .....	40
TRUST DEED.....	40
MODIFICATION OF TRUST DEED .....	41
VOTING RIGHTS .....	41
RESTRICTIONS ON UNITHOLDERS .....	41
TRANSFER OF UNITS .....	42
CONFLICTS OF INTEREST .....	42
REMOVAL OF THE MANAGER.....	43

<b>RETIREMENT OF THE MANAGER .....</b>	<b>43</b>
<b>LIABILITY AND INDEMNITY OF MANAGER AND TRUSTEE .....</b>	<b>43</b>
<b>EXCHANGE CLEARANCE AND SETTLEMENT.....</b>	<b>46</b>
<b>TERMINATION.....</b>	<b>47</b>
<b>PERFORMANCE AND BENCHMARK OF THE FUND.....</b>	<b>49</b>
<b>EXPENSE RATIO.....</b>	<b>49</b>
<b>TURNOVER RATIO .....</b>	<b>50</b>
<b>TAXATION.....</b>	<b>50</b>
<b>MISCELLANEOUS INFORMATION .....</b>	<b>57</b>
<b>APPENDIX I - CONSTITUENT WEIGHTINGS OF THE INDEX.....</b>	<b>61</b>
<b>APPENDIX II – THE FTSE/ASEAN 40 INDEX .....</b>	<b>63</b>
<b>APPENDIX III – LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS OVER THE LAST 5 YEARS.....</b>	<b>67</b>

## **PRELIMINARY**

This Prospectus has been prepared in connection with the offer in Singapore of units in the Fund (“**Units**”), a unit trust established under Singapore law by the deed of trust (as amended) relating to the Fund (the “**Trust Deed**”).

The directors of Principal Asset Management (S) Pte Ltd, the manager of the Fund (the “**Manager**”) accept full responsibility for the accuracy of information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus and that there are no material facts the omission of which would make any statements in this Prospectus misleading.

The collective investment scheme offered in this Prospectus, the Fund, 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 with 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.

Applicants for Units should consult their financial advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable them to acquire Units and as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable.

Units are traded on SGX-ST at market prices throughout the trading day. Market prices for Units may, however, be different from their net asset value. Listing for quotation of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. The Manager requires persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to the Manager. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

**Indonesia** - This Prospectus and the information contained therein are private and confidential and are for the use solely of the person to whom such materials are addressed. The offering of the Units in the Fund will be conducted in a manner which constitutes a private offering of securities under applicable laws and regulations of the Republic of Indonesia.

**Malaysia** - No offer or invitation to purchase the Units may be or will be made to the public in Malaysia. These Units will only be offered or sold to qualified investors in accordance with the Capital Markets and Services Act 2007 of Malaysia.

**Hong Kong** - The Units, which have not been registered with the Securities and Futures Commission of Hong Kong (“**SFC**”), shall not be offered or sold and will not be offered or sold in Hong Kong by means of any document at any time other than to (i) persons outside Hong Kong, and (ii) “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (“**SFO**”) and any

rules made thereunder. This document has not been and will not be registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the laws of Hong Kong or authorised by the SFC under the SFO and may not be issued, distributed, or made available in any form to any other person in Hong Kong. No one may issue or have in its possession for the purpose of issue any advertisement, invitation or document relating to the Units, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

No person has been authorised to give any information or to make any representation in connection with the offering of Units other than those contained in this Prospectus, and the reports referred to in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Manager. To reflect material changes, this Prospectus may be updated from time to time and investors should investigate whether any more recent Prospectus is available. Investors should note that any amendment or supplement to, or replacement of, this Prospectus will be posted on the Manager's website (<http://www.cimbetf.com>).

## **DEFINITIONS**

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below.

“Application” means an application by the Participating Dealer to the Registrar for the creation or redemption of Units, in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines and the terms of the Trust Deed.

“Application Basket” means a portfolio of Index Securities and/or the cash equivalent of the Index Securities where applicable, which constitute the Index Basket fixed by the Manager at the start of business on the relevant Dealing Day and/or such other securities as may be approved by the Manager and the Trustee, for the purpose of the creation and redemption of Units in an Application Unit size, notified on the relevant date by the Manager in accordance with the Operating Guidelines for Applications.

“Application Basket Value” means the aggregate value of the Index Securities and/or the cash equivalent of the Index Securities where applicable and/or other securities as may be approved by the Manager and the Trustee constituting the Application Basket at the Valuation Point on the relevant Dealing Day.

“Application Cancellation Fee” means the fee payable by the Participating Dealer in respect of a default, as set out in the Trust Deed and the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

“Application Unit” means such number of Units as specified in this Prospectus or such other number of Units from time to time determined by the Manager, approved by the Trustee and notified to the Participating Dealer.

“associate” has the meaning ascribed to it in the listing manual of the SGX-ST.

“Authority” means the Monetary Authority of Singapore or its successors.

“Business Day” means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which all the Relevant Exchanges are open for normal trading and on which the Index is compiled and published, and on which banks in Singapore are open for general business (or such other day or days as may from time to time be determined by the Manager and Trustee) and where a day on which any of the Relevant Exchanges or banks in Singapore is open for only half a day such day shall not be considered a Business Day.

“Cancellation Compensation” means an amount payable by a Participating Dealer in respect of a default, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

“Cash Component” means the difference between the aggregate Net Asset Value of the Units comprising an Application Unit and the Application Basket Value.

“CDP” means The Central Depository (Pte) Limited (Company Registration Number 198003912M), a wholly-owned subsidiary of SGX-ST.

“Code” means the Code on Collective Investment Schemes issued by the Authority (as may be amended from time to time).

“Collective Investment Scheme” has the same meaning as in the Securities and Futures Act.

“Companies Act” means the Companies Act, Chapter 50 of Singapore (as may be amended from time to time).

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

- (a) another firm or corporation in which the first mentioned firm or corporation has control of not less than 20 per cent. of the voting power in that other firm or corporation; and
- (b) a director, chief executive officer or substantial shareholder or controlling shareholder of the company or any of its subsidiaries or an associate of any of them.

“Creation Application” means an application by a Participating Dealer for the creation and issue of Units in an Application Unit size (or whole multiples thereof) in exchange for Index Securities and/or the cash equivalent of the Index Securities where applicable or any other Securities as may be approved by the Manager and the Trustee, constituting the Application Basket and any applicable Cash Component.

“Custodian” means State Street Bank and Trust Company or its successors.

“Custodian Agreement” means the agreement entered into between the Trustee and the Custodian in respect of the Fund.

“Dealing Day” means each Business Day during the continuance of the Fund, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee.

“Dealing Deadline” in relation to any particular place and any particular Dealing Day, means such time on that Dealing Day as the Manager (with the approval of the Trustee) may from time to time determine.

“Deposited Property” means all the assets (including cash, if any) for the time being held or deemed to be held for the account of the Fund excluding any amount for the time being standing to the credit of the Distribution Account (as defined in the Trust Deed).

“Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, any transaction or dealing and including, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Fund for the difference between (a) the prices used when valuing the Securities of the Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities if they were acquired by the Fund with the amount of cash received by the Fund upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities if they were sold by the Fund in order to realise the amount of cash required to be paid out of the Fund upon such redemption of Units.

“EIP” means an Excluded Investment Product (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products) (as may be amended from time to time).

“Extension Fee” means any fee payable by a Participating Dealer in accordance with the Operating Guidelines because of the extension of any settlement period.



“Fund” means the Principal FTSE ASEAN 40.

“FTSE” means the FTSE International Limited.

“HK dollar” or “HK\$” means the lawful currency for the time being and from time to time of Hong Kong SAR.

“Income Property” means all interest, dividends and other sums deemed by the Manager, (after consulting the Auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale of any Income Property received in a form other than cash).

“Index” means the FTSE/ASEAN 40 Index or such other name by which the index may be known.

“Index Basket” means a portfolio of Index Securities as determined by the Manager to be substantially similar in composition and weighting to the Index, provided that such portfolio shall comprise only whole numbers of the Index Securities and no fractions or, if the Manager determines shall comprise only round lots and not any odd lots.

“Index Provider” means FTSE International Limited, the person responsible for compiling the Index against which the Fund benchmarks its investments and who holds the right to licence the use of such Index.

“Index Securities” means shares or interests issued by companies listed on the Relevant Exchanges that are included in the Index from time to time or depository receipts that may be issued against such shares or interests.

“Insolvency Event”, occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person’s assets or the person becomes subject to an administration order, (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts, (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business, or (v) the Manager in good faith believes that any of the above is likely to occur.

“Investment and Borrowing Guidelines” means the investment and borrowing guidelines issued by the Authority as Appendix 1, Annexes 1A and 1B and Appendix 5 of the Code, as the same may be modified, amended, re-enacted or reconstituted from time to time by the Authority.

“Issue Price” means the price at which Units may be issued, determined in accordance with the Trust Deed.

“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 amended from time to time).

“Manager” means Principal Asset Management (S) Pte Ltd or its successors.

“Market” means, in relation to any Index Security, a Relevant Exchange.

“Net Asset Value” means the net asset value of the Fund or, as the context may require, of a Unit calculated pursuant to the Trust Deed.

“Operating Guidelines” means the guidelines for the creation and redemption set out in the Schedule to the Participation Agreement as may be amended from time to time by the Manager with the approval of the

Trustee and following consultation, to the extent reasonably practicable, with the Participating Dealer and as notified in writing to the Participating Dealer.

“Participating Dealer” means Citigroup Global Markets Singapore Securities Pte Ltd, Flow Traders Asia Pte Ltd, DBS Vickers Securities (Singapore) Pte Ltd, Société Générale, Singapore Branch, Goldman Sachs Futures Pte Ltd, Commerzbank AG and CIMB Securities Limited, or any dealer which has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

“Participation Agreement” means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the Index Securities, the cash equivalent of the Index Securities where applicable and/or such other securities as may be approved by the Manager and the Trustee, constituting the Application Basket and the redemption and cancellation of Units for the Index Securities constituting the Application Basket.

“Permissible Investment” means such investment as may be permitted to be made by the Fund under the Code and (for so long as Units of the Fund are EIPs and prescribed capital markets products) the Notice on the Sale of Investment Products, the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 for the purposes of classifying the Units of the Fund as EIPs and prescribed capital markets products, or as the Fund may be permitted to invest in by the Authority.

“prescribed capital markets products” shall have the meaning as set out in the Securities and Futures (Capital Markets Products) Regulations 2018 as the same may be modified, amended or revised from time to time.

“Recognised Stock Exchange” means an international stock exchange that is approved by the Manager and the Trustee.

“Redemption Application” means an application by a Participating Dealer to the Registrar for the redemption of Units in Application Unit size (or whole multiples thereof) in exchange for the relevant Index Securities and/or the cash equivalent of the Index Securities where applicable or any other Securities as may be approved by the Manager and the Trustee constituting the Application Basket and any applicable Cash Component.

“Redemption Value” means, in respect of a Unit, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

“Register” means the register of Unitholders of the Fund.

“Registrar” means the Trustee or such other person as may from time to time be appointed by the Trustee to keep and maintain the Register.

“Relevant Exchanges” means the stock exchanges of the ASEAN region on which the Index Securities are traded and a “Relevant Exchange” means any one of them. The Relevant Exchanges are the Indonesia Stock Exchange, Bursa Malaysia Berhad, the Philippine Stock Exchange, Inc., the Stock Exchange of Thailand, and SGX-ST.

“Securities Account” means a Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with the CDP.

“Securities and Futures Act” means the Securities and Futures Act, Chapter 289 of Singapore (as may be amended from time to time).

“Security” means any Index Security and/or any share, stock, debenture, loan stock, bond, security,

commercial paper, acceptance, depository receipt, trade bill, treasury bill, instrument or note of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):-

- (A) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any unit trust;
- (B) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;
- (C) any instrument commonly known or recognised as a security;
- (D) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and
- (E) any bill of exchange and any promissory note,

provided that each of such Securities falling within paragraphs (A) to (E) of this definition shall be a Permissible Investment under the Code.

“Settlement Day” means three (3) Business Days after the relevant Dealing Day and which shall be a Business Day (or such later Business Day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as the Manager and the Trustee may from time to time agree and notify to the Participating Dealer.

“SGX-ST” means the Singapore Exchange Securities Trading Limited or its successors.

“Singapore dollar” or “S\$” means the lawful currency for the time being and from time to time of Singapore.

“Specified US Person” means a US Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organisation exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

“Transaction Fee” means the fee which may at the discretion of the Manager be charged for the benefit of the Trustee to the Participating Dealer on each Dealing Day on each Application made by the Participating Dealer, the maximum level of which shall be as determined by the Manager from time to time and set out in this Prospectus.

“Trust Deed” means the Trust Deed constituting the Fund dated 6 September 2006 between the Manager and the Trustee, as amended, supplemented or restated from time to time.

“Trustee” means DBS Trustee Limited or its successors.

“Unauthorised US Person” means (i) a US person within the meaning of Rule 902 of the United States Securities Act of 1933, as amended, (ii) a US resident within the meaning of the United States Investment Company Act of 1940, as amended, or (iii) any person that would not qualify as a Non-United States person within the meaning of United States Commodity Futures Trading Commission Rule 4.7(a)(1)(iv).

“Unit” means one undivided share in the Fund.

“Unitholder” means a holder of Units.

“US dollar”, “US\$” or “USD” means the lawful currency for the time being and from time to time of the United States of America.

“US Person” means a US citizen or resident individual, a partnership or corporation organised in the US or under the laws of the US or any State thereof, a trust if (i) a court within the US 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 US.

“Valuation Point” means the official close of trading on the last Market to close on each Dealing Day on which the Securities are listed or traded or such other time or times as determined by the Manager from time to time with the prior approval of the Trustee (and the Trustee shall determine if Unitholders should be informed of such changes) provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units or any other dealings in the Units.

*This Prospectus provides the information you need to make an informed decision about investing in the Fund. It contains important facts about the Fund.*

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

## Key Information

The following table is a summary of key information in respect of the Fund, and should be read in conjunction with the full text of this Prospectus.

Instrument Type	Exchange Traded Fund (“ETF”)
Tracked Index	FTSE/ASEAN 40 Index
Listing Date	21 September 2006
Exchange Listing	SGX-ST
Trading Board Lot Size	100 Units
Currency of Account (Base Currency)	US dollars (US\$)
Trading Currencies	Retail investors may trade in units listed on the SGX-ST in US\$ (primary/base currency) or Singapore dollars (S\$) (secondary currency). For further information on dual currency trading, please refer to <a href="http://www.sgx.com/dualcurrency">www.sgx.com/dualcurrency</a> .
Distribution of Income	Annually (if any). Paid in US\$.
Creation / Redemption:- (i) partial “in-kind” and partial cash or (ii) fully in cash (only Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Manager	Principal Asset Management (S) Pte Ltd
Trustee	DBS Trustee Limited
Registrar	DBS Trustee Limited
Custodian	State Street Bank and Trust Company
Website	<a href="http://www.cimbetf.com">http://www.cimbetf.com</a>
Investor Profile	<p>The Fund is <u>only</u> suitable for investors who:</p> <ul style="list-style-type: none"> <li>• want capital growth and regular income in the form of dividends<sup>1</sup>;</li> <li>• believe that the Index will increase in value; and</li> <li>• are comfortable with the greater volatility and risks of an equity fund.</li> </ul>

<sup>1</sup> Such dividend distributions are not guaranteed and are made at the Manager’s discretion. The Manager currently intends to pay out income distributions of the Fund to unitholders annually and there is currently no income reinvestment service for the Fund.

## PRINCIPAL FTSE ASEAN 40

The Fund is a Singapore standalone unit trust constituted under Singapore law and established by way of a deed of trust dated 6 September 2006 (the “**Principal Deed**”) and the parties to the Principal Deed are CIMB-GK Securities Pte. Ltd. as the retired managers (the “**Retired Managers**”) and DBS Trustee Limited, as the trustee (the “**Trustee**”). The Principal Deed has been amended by the First Supplemental Deed dated 15 June 2007 entered into by the Retired Managers, the Trustee and the Manager, the First Amending and Restating Deed dated 30 September 2011, the Second Amending and Restating Deed dated 13 March 2012, the Third Amending and Restating Deed dated 22 April 2019 and the Fourth Amending and Restating Deed dated 19 September 2019 entered into between the Manager and the Trustee (collectively, the “**Amending Deeds**”). The Principal Deed as amended by the Amending Deeds shall hereinafter be referred to as the “**Trust Deed**”. A copy of the Trust Deed, as amended, is available for inspection by Unitholders and potential investors at the registered office of the Manager. Unless expressly provided for in the Trust Deed, the assets of the Fund shall at all times belong to the Fund and be segregated from the assets of the Trustee, and shall not be used to discharge the liabilities of or claims against the Trustee or any other fund for which the Trustee acts as Trustee.

Investors should note that the Fund differs from a typical unit trust offered in Singapore. The Units of the Fund are listed on the SGX-ST and trade like any other equity security listed on the SGX-ST. Only Participating Dealers may purchase or redeem Units directly from the Fund at the Net Asset Value. All other investors may only purchase and sell Units in the Fund on the SGX-ST or through a Participating Dealer, subject to such terms and conditions as may be imposed by the Participating Dealer.

## REGISTRATION AND EXPIRY DATE

The date of registration of this Prospectus by the Authority is 19 September 2019. This Prospectus shall be valid for a period of 12 months after the date of registration and shall expire on 19 September 2020.

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the FTSE/ASEAN 40 Index (the “**Index**”).

## INVESTMENT POLICY OF THE FUND

### Investment Approach

The Fund is not managed according to traditional methods of “active” investment management, which involve the buying and selling of securities based on the fund manager’s economic, financial and market analysis and investment judgment. Unlike an actively managed investment fund, the Fund does not attempt to “beat” the market or the Index. Instead, the Manager, using a “passive” or indexing investment approach, attempts to deliver an investment performance which closely corresponds, before expenses, to the performance of the Index.

The use of an indexing investment approach may eliminate some of the risks of active management such as poor stock selection. An indexing investment approach may also help increase after-cost performance by keeping portfolio turnover low in comparison to actively managed investment funds.

The Manager will generally invest the Fund’s assets in all of the Index Securities in the same approximate proportion as their weightings within the Index. However, various circumstances may make it impossible or impracticable to purchase each component Index Security in such weightings. In those circumstances, the Manager may employ, alone or in combination with, other investment techniques in seeking to closely track

the performance of the Index.

The Manager does not invest the Fund's assets in commodities, unlisted securities, precious metals and derivative instruments, including options, warrants and futures contracts.

For so long as the Units of the Fund are EIPs and prescribed capital markets products, the Fund does not and will not invest in any product or engage in any transaction which may cause the Units not to be regarded as EIPs and prescribed capital markets products.

### **Investment Strategy**

In managing the Fund, the Manager may adopt either a Replication Strategy or a Representative Sampling Strategy. The Manager may swap between the two strategies, without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the Fund.

### **Replication Strategy**

Using a Replication Strategy, the Fund will invest in substantially all the Index Securities in substantially the same weightings (i.e. proportions) as the Index.

However, if the Manager believes that a Replication Strategy is not the most efficient means to track the Index, the Manager may decide to adopt a Representative Sampling Strategy instead.

### **Representative Sampling Strategy**

Using a Representative Sampling Strategy, the Fund will hold a representative sample of a portfolio of Securities selected by the Manager using quantitative analytical models in a technique known as "portfolio sampling". The Manager will seek to construct the portfolio of the Fund so that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of the Index.

## **THE INDEX**

The Index is a tradable index launched by FTSE in conjunction with five ASEAN Exchanges - Bursa Efek Indonesia (Indonesia Stock Exchange), Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Limited and The Stock Exchange of Thailand, the first collaborative effort amongst the Relevant Exchanges under the ASEAN umbrella.

The Index represents the performance of the 40 largest securities of the participating exchanges (by full market capitalization) and is subject to rigorous ground rules such as free float adjustment and liquidity screening to ensure these stocks are highly investable.

As at 19 August 2019, please note that the respective holding companies of the Manager and Trustee are constituent stocks of the Index. Please refer to Appendix I for more information on the constituent stocks and their weighting in the Index.

In the event that the Index is no longer available for use by the Fund, the Manager will source for a suitable replacement index that gives, in the opinion of the Manager, the same or substantially similar equity exposure as the Index.

Additional information in respect of the Index is set out in Appendix II or can be found at the Index Provider's website at [www.ftserussell.com/products/indices/asean](http://www.ftserussell.com/products/indices/asean).

## INVESTMENT RESTRICTIONS AND BORROWING POLICY OF THE FUND

The Fund is subject to the investment guidelines, restrictions and borrowing limits set out in the Code, which guidelines, restrictions and limits may be amended from time to time by the Authority. For so long as the Units of the Fund are EIPs and prescribed capital markets products, the Fund will not invest in any product or engage in any transaction which may cause the Units not to be regarded as EIPs and prescribed capital markets products (unless otherwise permitted by the Authority).

The Fund may borrow, on a temporary basis, for the purposes of meeting redemptions and bridging requirements. Aggregate borrowings for such purposes should not exceed 10% of the Fund's Net Asset Value at the time the borrowing is incurred and the borrowing period should not exceed one month.

The Manager may from time to time formulate such other investment and borrowing restrictions as it may, in its sole discretion, think fit, to apply to the Fund, subject to the investment guidelines, restrictions and borrowing limits set out in the Code.

The Manager does not engage in securities lending and repurchase transactions for the Fund.

## MANAGEMENT AND ADMINISTRATION

### Manager

The Manager of the Fund is Principal Asset Management (S) Pte Ltd ("**Principal(S)**") (Company Registration Number 200607208K), a private limited company incorporated in Singapore on 18 May 2006. The Manager's principal place of business is Singapore. The Manager is licensed and regulated by the Authority, and holds a Capital Markets Services License for fund management issued by the Authority. The Manager has more than 11 years of experience in managing discretionary and mutual funds, and is wholly-owned by Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) ("**Principal Malaysia**"), which has been managing discretionary and mutual funds in Malaysia for more than 20 years. As of 31 December 2018, Principal Asset Management Berhad manages more than S\$17 billion in clients' assets. As of 31 December 2018, the funds under management of the Manager stands at approximately S\$3.7 billion and the amount of assets under management which is related to index-tracking funds is S\$59.8 million. The issued and paid-up share capital of the Manager is S\$2.5 million.

As at the date of this Prospectus, the shareholders of Principal Malaysia are Principal International (Asia) Limited ("**PIA**") and CIMB Group Sdn Bhd ("**CIMB**").

CIMB is one of ASEAN's leading universal banking groups and is Malaysia's second largest financial services provider, by assets. It offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. Headquartered in Kuala Lumpur, CIMB is present in all 10 ASEAN nations and has market presence in China, Hong Kong, India, Sri Lanka, Korea, US and UK. CIMB is listed on Bursa Malaysia and has a market capitalisation of approximately RM54.6 billion, around 36,000 employees and around 800 branches, as at 31 December 2018.

PIA is a private company incorporated in Hong Kong and its principal activity is the provision of consultancy services to other group of companies under the Principal Financial Group ("**PFG**"). PIA is a subsidiary of the PFG, which was established in 1879 and is a diversified global financial services group servicing more than 15 million customers.

The other investment funds managed by the Manager as at the date of this Prospectus include the Principal S&P Ethical Asia Pacific Dividend ETF (*formerly known as CIMB S&P Ethical Asia Pacific Dividend ETF*).



## **General Responsibilities of the Manager**

The Manager has general powers of management over the assets of the Fund. The Manager has covenanted in the Trust Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner and to ensure that the Fund is carried on and conducted in a proper and efficient manner. The Manager has also covenanted that it will conduct all transactions with or for the Fund at arm's length.

The Manager will also be responsible for ensuring compliance with the applicable provisions of the Securities and Futures Act and all other relevant legislation, the Listing Manual, the Code, the Trust Deed and all relevant contracts. The Manager will be responsible for all regular communications with Unitholders.

In the absence of fraud or negligence by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the provisions of the Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any action, costs, claims, damages, expenses or demands (other than those arising out of any liability or obligation to the Unitholders imposed on the Manager pursuant to applicable laws) to which it may be put as Manager, to have recourse to the assets of the Fund in respect of which such action, costs, claims, damages, expenses or demands have been made or arose out of.

The Manager may, in managing the Fund and in carrying out and performing its duties and obligations under the Trust Deed, appoint such person as it may think fit to exercise all or any of the powers, rights, privileges, duties and discretions vested in it under the Trust Deed and such delegation may be made upon such terms and conditions and subject to such applicable laws and regulations (including powers to sub-delegate), Provided That the Manager shall be liable for any act or omission of any such person as if such acts and omissions were its own.

The Manager will remain as the manager of the Fund until it retires or is removed or replaced in accordance with the provisions of the Trust Deed, as summarised under the heading "Removal of the Manager".

In accordance with the provisions of the Trust Deed, in the event the Manager becomes insolvent, the Manager may be removed by notice in writing from the Trustee and replaced by a new manager who shall be appointed by the Trustee. Please refer to Clause 30.5 of the Trust Deed for more details.

Please refer to Clause 28 of the Trust Deed for more details on the Manager's role and responsibilities as the manager of the Fund.

## **Directors of the Manager**

### **Christopher Leow**

Mr Leow, of 50 Raffles Place, #22-03A & B Singapore Land Tower, Singapore 048623, is the Chief Executive Officer and a Director of the Manager, and is responsible for leading the International Investment team based in Singapore. He joined Principal Malaysia in December 2003 and was transferred to Principal(S) in May 2007. He has more than 20 years of experience in the equities and fund management industry. Mr Leow is a Chartered Financial Analyst ("CFA") and a Certified Financial Planner. He has been registered with the Authority under the Securities and Futures Act as a Representative of Principal(S) in fund management since September 2007. Mr Leow holds a Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia.

### **Alejandro Elias Echegorri Rodriguez**

Mr Echegorri, of One Raffles Quay, North Tower #19-01/04, Singapore 048583, is a Director of the Manager and the Chief Investment Officer for Principal Global Asset Management in Asia and as such he is responsible

for the overall investment strategy and the investment process for the group and for overseeing the management of pension, mutual funds and general accounts in the Asia as well as for supporting the overall development of the asset management business in the region. Prior to that Mr. Echegorri was Chief Executive Officer, ASEAN Region of Principal Malaysia, with responsibilities over Malaysia, Indonesia, Thailand and Singapore, and also a Director of Principal(S). Previously he was the Chief Investment Officer for PIA in Latin America. He joined PIA in 2003 as Head of Institutional Asset Management and Chief Investment Officer for PFG in Mexico. Prior to that, he was the Senior Investment Officer for Citibank's Pension Fund Business in Latin America. He had also held different positions in the investment area in countries such as Uruguay, Argentina, Chile, Mexico and the United Kingdom. Mr Echegorri holds a degree in Economics from the Universidad Mayor de la Republica, Uruguay, and a Master in Economics from Universidad Centro de Estudios Macroeconomicos de Argentina.

### **Lum Joy Deng**

Ms Lum, of 10th Floor, Bangunan CIMB, Jalan Semantan, 50490 Damansara Heights, Kuala Lumpur, Malaysia, is a Director of the Manager and Head of the Investment unit of Group Ventures and Partnerships in CIMB, and is primarily responsible for managing CIMB Group's private markets portfolio of investments including CIMB's exposure to private equity funds and direct strategic investments. She has extensive transactional experience, having spent 8 years in Corporate Finance in the Investment Banking department of CIMB, focusing on cross-border M&As, divestments, IPOs, fund raising, and corporate restructuring advisory work for clients across Asia Pacific markets covering various industries. Prior to her existing role, she was in CIMB's agribusiness sector team for 2 years, where she advised capital markets-related deals on market trends, financial valuations, competitive analyses, and market positioning within the sector. She sits on the board of various investee companies as non-executive director and is also an active member of the investment committee at various private equity funds managed by CIMB. Ms Lum graduated with Honours in Accounting and Finance from the University of Nottingham, England.

### **Key executives of the Manager/Appointed Portfolio Managers of the Fund**

The appointed individual/principal portfolio manager of the Fund who will be primarily performing the investment management functions for the Fund is Mr Christopher Leow who is also one of the directors of the Manager. Please see his write-up above for more information on his qualification, experience and employment history. Mr Leow is assisted by Mr James Gan Seng Chen, Mr Shawn Ho Jian Hong and Ms Zhang Yuzheng.

James joined the Manager in November 2012 and has 9 years of experience in the fund management industry as a research analyst and portfolio manager. Before joining the Manager, James was an investment analyst with the Manager's parent company, Principal Asset Management Berhad. James holds a Bachelor of Science in Mathematics and Economics from the University of Warwick in the United Kingdom and is a CFA charter-holder.

Shawn joined the Manager in 2015 and focuses primarily on the Singapore and China equity markets, where he covers a range of sectors. Shawn holds a Masters in Real Estate Finance from the University of Cambridge.

Yuzheng joined the Manager in 2017 and focuses primarily on asset allocation models. Yuzheng holds a Masters of Economics from Columbia University.

### **Trustee**

DBS Trustee Limited (the "**Trustee**") is a company incorporated in Singapore and registered under the Trust Companies Act, Chapter 336 of Singapore, with a share capital of S\$2.5 million. The Trustee is regulated by

the Authority. Its registered address is at 12 Marina Boulevard, DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982. The Trustee does not have any material conflict of interest with its position as Trustee of the Fund. DBS Trustee Limited is a member of the DBS Bank Group.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Fund. The Trustee has appointed State Street Bank and Trust Company to be custodian of such assets upon such terms and conditions as may be agreed by the parties. In accordance with the provisions of the Trust Deed, in the event the Trustee becomes insolvent, the Trustee may be removed by notice in writing from the Manager and replaced by a new trustee who shall be appointed by the Manager. Please refer to Clause 30 of the Trust Deed for more details.

The Trustee's fee will be borne by the Manager out of the Manager's management fee and will not be charged to the Fund as set out below under the section headed "Fees, Charges and Expenses".

Please refer to Clause 28 of the Trust Deed for more details on the Trustee's role and responsibilities as the trustee of the Fund.

### **Registrar**

The Registrar of the Fund is DBS Trustee Limited. The Registrar will charge a fee in respect of the establishment and maintenance of the Register of the Unitholders of the Fund and which will be borne by the Manager out of the Manager's fee and will not be charged to the Fund as set out below under the section headed "Fees, Charges and Expenses".

The Register can be inspected at 10 Toh Guan Road, #04-11 (Level 4B), DBS Asia Gateway, Singapore 608838 during normal business hours.

For so long as the Units are listed, quoted and traded on the SGX-ST, the Manager shall appoint CDP as the unit depository for the Fund, and all Units issued and available for trading will be represented by entries in the Register of Unitholders kept by the Registrar in the name of, and deposited with, CDP as the registered holder of such Units. The Registrar shall issue to CDP not less 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.

### **Auditors**

The auditors of the Fund are Ernst & Young LLP of One Raffles Quay, Level 18 North Tower, Singapore 048583.

The auditors' fee will be borne by the Manager out of the Manager's management fee and will not be charged to the Fund as set out below under the section headed "Fees, Charges and Expenses".

### **Accounting and Valuation Agent / Custodian**

The Trustee shall be responsible for the safe custody of the assets of the Fund. The Trustee has appointed State Street Bank and Trust Company (the "**Custodian**"), a trust company organised under the laws of the Commonwealth of Massachusetts with its principal place of business at One Lincoln Street, Boston, MA 02111, United States of America, as the global master custodian of the Fund.

The Custodian was incorporated on 13 April 1891 in the Commonwealth of Massachusetts, United States of America. The Custodian's remuneration is to be paid by the Manager out of the Management Fee and not by the Fund.

The Custodian was founded in 1792 and is a wholly owned subsidiary of State Street Corporation. It provides

custodial services in over 100 markets by utilizing its local market custody operations and through its network of sub-custodian banks. The Custodian is licensed and regulated by the Federal Reserve Bank of Boston. The Custodian will appoint sub-custodians in those markets where the Fund invests where the Custodian does not itself act as the local custodian. The Custodian has processes for the initial selection and ongoing monitoring of its sub-custodians, each of which is chosen based upon a range of factors, including securities processing and local market expertise, and must satisfy specific operating requirements in terms of structure, communications, asset servicing and reporting capabilities. All sub-custodians appointed by the Custodian must be licensed and regulated under applicable law to provide custodian and related asset administration services, and carry out the relevant related or ancillary financial activities in the relevant market jurisdiction. The Custodian will typically seek to select local branches or affiliates of major global financial institutions that provide sub-custodian services in multiple markets, although unique market service requirements may result in the selection of an entity as sub-custodian that is more local in scope. The Custodian shall be responsible for, amongst other matters, the holding of securities, delivery of securities, registration of securities and opening and maintaining bank accounts. The Custodian shall exercise reasonable care (of a standard expected of a professional custodian) in the performance of its duties.

State Street Corporation, or the Custodian's parent company, is a financial holding company organised in 1969 under the laws of the Commonwealth of Massachusetts. The parent company provides financial and managerial support to its subsidiaries. Through its subsidiaries, including the principal banking subsidiary, the Custodian, State Street Corporation provides a broad range of financial products and services to institutional investors worldwide. The issued and paid-up share capital of the Custodian as at December 31, 2016 is US\$29.93 million. State Street Corporation operates in more than 100 geographic markets worldwide, including in the United States of America, Canada, Europe, the Middle East and Asia. For further information, please visit State Street Corporation's website at [www.statestreet.com](http://www.statestreet.com).

The Custodian will remain as custodian of the Fund until its appointment is terminated in accordance with the custodian agreement.

There are risks involved in dealing with the Custodian, which holds the Fund's investments or settles the Fund's trades. It is possible that, in the event of the insolvency or bankruptcy of the Custodian, the Fund would be delayed or prevented from recovering its assets from the Custodian, or its estate, and may have only a general unsecured claim against the Custodian for those assets. In recent insolvencies of financial institutions, the ability of certain customers to recover their assets from the insolvent entity's estate has been delayed, limited, or prevented, often unpredictably, and there is no assurance that any assets held by the Fund with the Custodian will be readily recoverable by the Fund. In addition, there may be limited recourse against non-U.S. sub-custodians in those situations in which the Fund invests in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, and the assets of the Fund have been entrusted to such sub-custodians.

Apart from acting as Custodian, State Street Bank and Trust Company has also been appointed by the Trustee to provide fund accounting and valuation services to the Fund.

*Disclaimer by State Street Bank and Trust Company*

*In respect of this Prospectus or any advertisement issued by any person (other than a member of State Street Bank and Trust Company group) no member of State Street Bank and Trust Company group, or any employee of any member of State Street Bank and Trust Company group (i) makes any representation or accepts any responsibility for the issuance or contents thereof or (ii) makes any representation as to the accuracy or completeness thereof, or (iii) has acted as an expert in connection with the preparation thereof, and each such member of State Street Bank and Trust Company group expressly disclaims any liability whatsoever to any person, including any Unitholder, for any loss howsoever arising from or in reliance upon the whole or any part of the contents thereof. To the extent permitted by law, State Street Bank and Trust*

*Company group expressly disclaims any liability whatsoever to any Unitholder.*

## **BROKERAGE TRANSACTIONS**

The policy of the Manager regarding purchases and sales of Index Securities is that primary consideration will be given to obtaining the most favourable prices and best execution of transactions in accordance with the requirements of the Code. Consistent with this policy, when Securities transactions are effected on a stock exchange, the Manager's policy is to pay commissions which are considered fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances.

The Manager believes that a requirement always to seek the lowest possible commission cost may impede effective portfolio management and preclude the Fund and the Manager from obtaining a high quality of brokerage and research services. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, the Manager relies upon its experience and knowledge regarding commissions generally charged by various brokers and on its judgement in evaluating the brokerage and research services received from the broker effecting the transaction. Such determinations are necessarily subjective and imprecise and, as in most cases, an exact dollar value for those services is not ascertainable.

In seeking to implement the above policies, the Manager effects transactions with those brokers and dealers that the Manager believes provide the most favourable prices and are capable of providing best execution of transactions in accordance with the requirements of the Code. If the Manager believes such price and execution are obtainable from more than one broker or dealer, it may give consideration to placing portfolio transactions with those brokers and dealers who also furnish research and other services to the Fund or the Manager. Such services may include, but are not limited to, information as to the availability of Index Securities for purchase or sale, statistical information pertaining to corporate actions affecting stocks, including, but not limited to, stocks within the Index.

None of the Manager, its directors and their associates is entitled to receive any part of any brokerage charged to the Fund, or any part of any fees, allowances and benefits received on purchases charged to the Fund.

## **SOFT DOLLAR COMMISSIONS / ARRANGEMENTS**

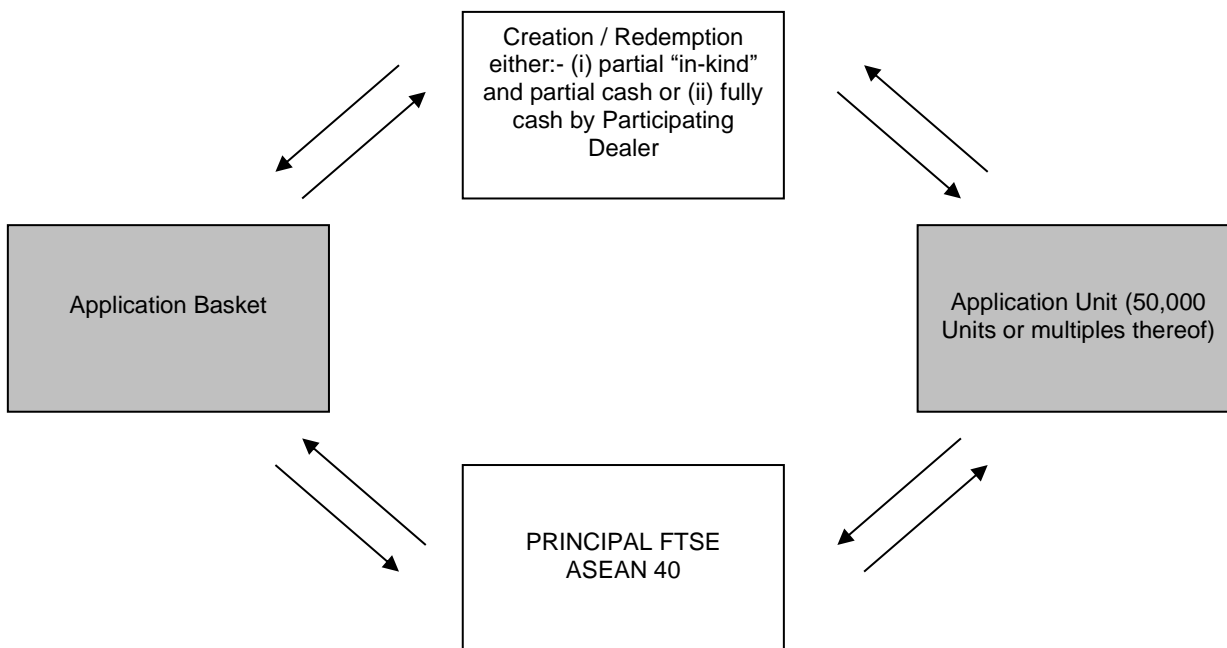
Any cash commissions received by the Manager (other than when acting as a broker for the Fund) arising out of the sale and purchase of investments for the Fund will not be retained for their own use but will be credited to the Fund. However, the Manager receives, and is entitled to retain, goods and services and other soft dollar benefits which are of demonstrable benefit to the Unitholders (as may be permitted under relevant regulations including, but not limited to, the Code) from brokers and other persons through whom the investment transactions are carried out. These goods and services include, but are not limited to, qualifying research services, computer hardware and software used for or in support of the investment process of the Manager, and appropriate order execution services.

In all cases where such goods and services and other soft dollar benefits are retained by the Manager, the Manager shall ensure that:- (i) such soft dollar commissions/arrangements can reasonably be expected to assist it in its management of the Fund, (ii) best execution is carried out for the transactions taking into account the relevant market at the time for transactions of the kind and size concerned, (iii) there is no prejudice to the interests of the Fund and/or the Unitholders, and (iv) no unnecessary trades are entered into in order to achieve a sufficient volume of transactions to qualify for such soft dollar commissions / arrangements.

**OPERATION OF THE FUND**

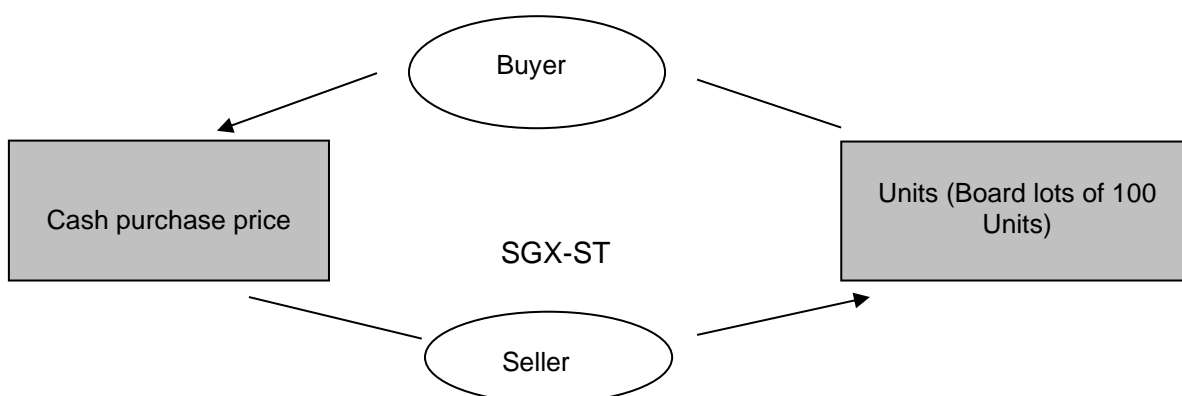
There are two types of investors in the Fund. The first type of investor is the Participating Dealer. Only the Participating Dealer (and not a retail investor) can create and redeem Units directly with the Fund. The second type of investor is any person, other than the Participating Dealer, who buys and sells the Units on the SGX-ST or through a Participating Dealer (subject to such terms and conditions as may be imposed by the Participating Dealer). The diagrams below illustrate the methods of acquiring and disposing Units in the Fund after listing:

**Direct creation and redemption by the Participating Dealer:**



**Investors other than Participating Dealers:-**

***Trading Units in the secondary market on the SGX-ST:***



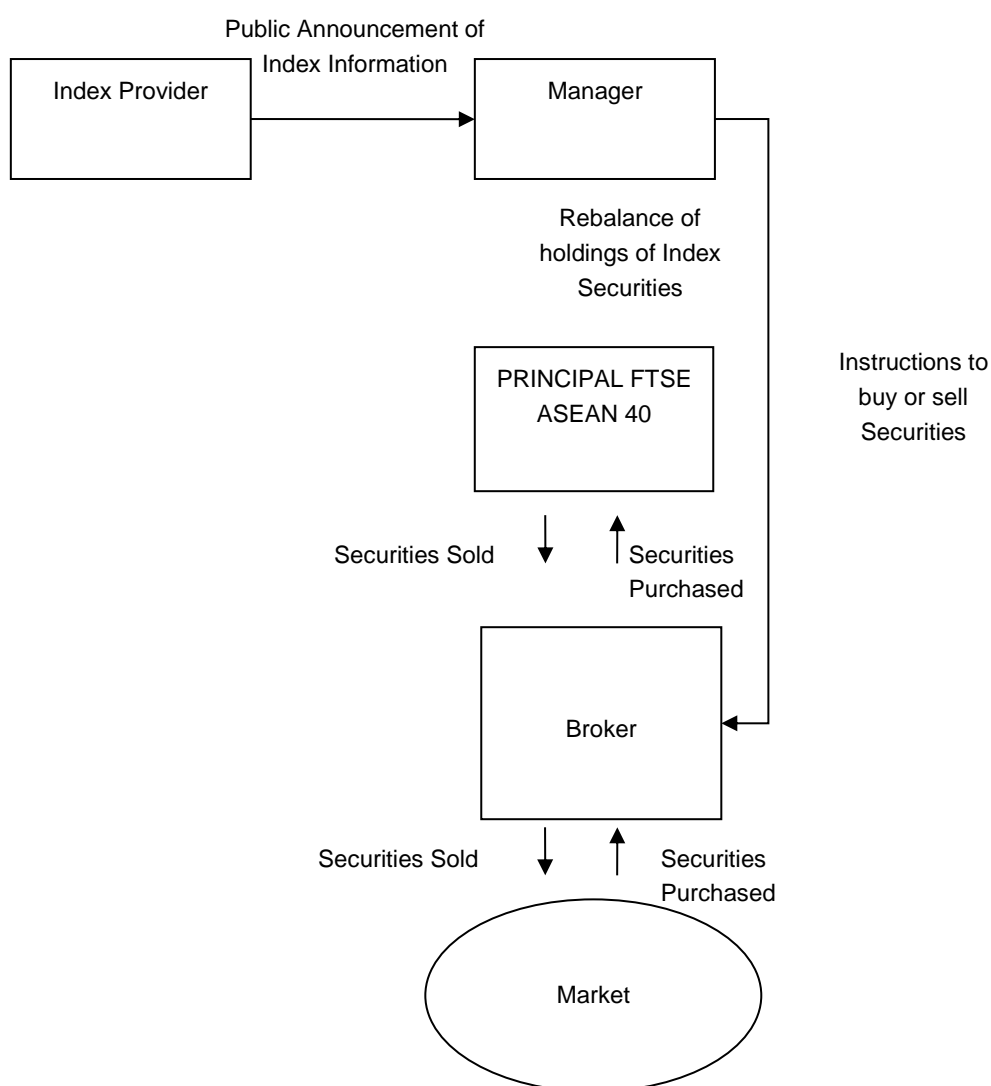
**Index Rebalancing**

The constituent Index Securities and their respective weightings within the Index will change from time to time. In order for the Fund to achieve its investment objective of tracking the Index, it will accordingly be

necessary for the Manager to rebalance the Fund's holdings of Index Securities comprised in the Index. The Manager will derive public information announced by the Index Provider and rebalance the holdings of Index Securities accordingly.

A major rebalancing will be performed once a year in March so as to coincide with the annual review of the Index. Minor rebalancing will be carried out as and when necessary. As the Fund will principally adopt a Replication Strategy as far as possible, it is expected that during the annual rebalancing, the Fund's holding of the Index Securities will be realigned to reflect substantially the Index constituents. Minor rebalancing will only be carried out after cost considerations have been taken into account.

Nevertheless, should the Manager determine in their absolute discretion that a Replication Strategy is not the most efficient means to track the Index, the Manager may adopt a Representative Sampling Strategy instead. The following diagram represents the rebalancing of the Fund's holdings of Index Securities following the rebalancing of the Index:



**Market Makers**

A market maker is a broker or a dealer registered by the SGX-ST as a designated market maker to act as such by making a market for the Units in the secondary market on the SGX-ST. A market maker's obligations

include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for Units on the SGX-ST. Market makers accordingly facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the SGX-ST. Subject to applicable regulatory requirements, the Manager intends to ensure that there is at least one market maker for the Fund to facilitate efficient trading.

The current market maker for the Fund is Flow Traders Asia Pte Ltd. Any change to the market maker will be announced on the SGXNET and the Manager's website at <http://www.cimbetf.com>.

### Participating Dealers

The role of the Participating Dealers is to facilitate creation and redemption of Units in the Fund from time to time. Under the terms of the Participation Agreement, the Participating Dealer may only apply to create Units on the presentation of an Application Basket by it comprising the Index Securities and/or the cash equivalent of the Index Securities where applicable. In its absolute discretion, the Participating Dealer may also apply to create Units on behalf of its clients from time to time, subject to such terms and conditions as may be imposed by the Participating Dealers.

The current Participating Dealers are Citigroup Global Markets Singapore Securities Pte Ltd, Flow Traders Asia Pte Ltd, DBS Vickers Securities (Singapore) Pte Ltd, Société Générale, Singapore Branch, Goldman Sachs Futures Pte Ltd, Commerzbank AG and CIMB Securities Limited. Any changes to these Participating Dealers will be announced on the SGXNET and the Manager's website at <http://www.cimbetf.com>.

For the purposes of the creation or redemption of Units by the Participating Dealer on any Dealing Day, the Valuation Point will be at 6:00 p.m. (Singapore time).

### Index Provider

The Index Provider is FTSE. FTSE is the benchmark administrator of the index and has granted the Manager the non-exclusive right to use the Index in connection with the Fund. FTSE is independent of the Manager.

### Calculation Times

The Index is calculated on Mondays to Fridays from 9:00 a.m. until each of the constituent markets has closed. The closing index value is calculated at 6:00 p.m. local Singapore time; 10:00 hrs GMT. The Index is calculated and published in real-time in US dollars. Total return index is published at the end of each Business Day.

The table below sets out the various opening and closing times of the Relevant Exchanges and the Index:

	Trading of Units of the Fund on SGX-ST	Bursa Efek Indonesia (Indonesia Stock Exchange)	The Philippines Stock Exchange, Inc.	The Stock Exchange of Thailand	Bursa Malaysia Berhad	Index
<b>Opening time (Morning)</b>	9:00 a.m. (Singapore time)	10:30 a.m. (Singapore time)	9:30 a.m. (Singapore time)	11:00 a.m. (Singapore time)	9:00 a.m. (Singapore time)	9:00 a.m. (Singapore time)
<b>Closing time</b>	5:06 p.m.	5:00 p.m.	3:30 p.m.	5:30 p.m.	5:00 p.m.	6:00 p.m.



<b>(Afternoon)</b>	(Singapore time)	(Singapore time)	(Singapore time)	(Singapore time)	(Singapore time)	(Singapore time)
--------------------	------------------	------------------	------------------	------------------	------------------	------------------

The Index is calculated on public holidays whenever at least one exchange is trading. The Index will not be calculated on 1 January.

## **DEALING BY RETAIL INVESTORS**

### **Purchasing and Selling Units by Retail Investors**

Retail investors cannot create or redeem Units directly in the Fund. However, retail investors may purchase or sell Units either through Participating Dealers (subject to such terms and conditions as may be imposed by the relevant Participating Dealer) or through the SGX-ST.

As the Fund is listed on SGX-ST, investors can place an order to buy Units during the trading day through a broker on the SGX-ST as one would in the case of a share listed on the SGX-ST, at any time after dealings in the Units commence. The trading price of Units of the Fund may differ from the Net Asset Value per Unit and there can be no assurance that a liquid secondary market will exist for the Units.

Retail investors may place an order with a broker to sell their Units on the SGX-ST at any time during the trading day. To sell or buy Units, a retail investor will need to use an intermediary such as a stockbroker or any of the share dealing services offered by banks or other financial advisers. Retail investors may trade in Units listed on the SGX-ST in US\$ and S\$.

Brokerage and other fees may be payable when selling (and purchasing) Units. Please see the section headed "Fees and Charges Payable by Retail Investors Dealing in Units on the SGX-ST" below.

## **CREATION AND REDEMPTION BY PARTICIPATING DEALERS**

### **Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount**

The minimum initial subscription and minimum subsequent subscription amount for the Fund is 50,000 Units and multiples of 50,000 Units respectively or such other subscription amount as the Manager may decide upon giving prior notice to the Trustee.

### **Continuous Offering of Units**

Units in the Fund will be continuously offered to Participating Dealers who may apply for them on any Dealing Day on their own account or for the account of their clients in accordance with the Operating Guidelines. The dealing period on any Dealing Day commences at 9:00 a.m. and ends at the Dealing Deadline at 12:00 p.m. (Singapore time). All dealing requests are dealt with at the same Net Asset Value at the same Valuation Point (or such other time as may be determined by the Manager from time to time with the approval of the Trustee).

### **Application Unit Size**

Units are offered and issued at their Net Asset Value only in aggregations of a specified number of Units (each, an "**Application Unit**") generally in exchange for a basket of Index Securities and/or the cash equivalent of the Index Securities where applicable. Units may only be created in Application Unit size, which is currently 50,000 Units (or whole multiples thereof). Any change to the Application Unit size will be announced on the SGXNET. Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted.

## Procedures for Creation of Application Unit Size

Only Participating Dealers may apply directly to the Manager to create Units. The Manager shall instruct the Trustee to effect, for the account of the Fund, the creation of Units in Application Unit size (or whole multiples thereof) in accordance with any of (a) or (b) below (or a combination of both) as determined by the Manager in its discretion:

- (a) in exchange for a delivery in-kind, by the Participating Dealer, to or for the account of the Trustee of Index Securities constituting an Application Basket for the relevant Units, payment of the cash amount equivalent to any Duties and Charges payable and the Transaction Fee plus, if the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component. If the Cash Component is a negative value, the Trustee shall be required to make a cash payment equivalent to the amount of the Cash Component to the Participating Dealer. In the event that the Fund has insufficient cash required to pay any Cash Component payable by the Fund, the Manager may effect sales of the Deposited Property of the Fund, or may borrow moneys in accordance with the Trust Deed, to provide the cash required; or
- (b) in exchange for a cash payment by the Participating Dealer equivalent to the relevant Application Basket Value (which shall be accounted for as Deposited Property) plus an amount equivalent to any Cash Component, which the Manager shall use to purchase the Index Securities comprised in the Application Basket, provided that the Manager shall be entitled in its discretion to (i) charge to the Participating Dealer for which cash is paid in lieu of delivering any Index Securities such additional sum as represents the appropriate provision for Duties and Charges and the Transaction Fee and (ii) cause to be paid to the Participating Dealer such amount as is determined by the Manager for the purpose of compensating the Participating Dealer up to an amount equal to the positive difference (if any) between the prices used when valuing the Index Securities for the purpose of such creation and the purchase prices actually paid or to be paid out of the Deposited Property in acquiring such Index Securities for the Fund (after the addition to the relevant purchase prices of any Duties and Charges in respect of such acquisition of Index Securities),

provided that the Manager shall have the right to reject or suspend a Creation Application if (i) in the opinion of the Manager, acceptance of any Index Security included in an Application Basket would have certain adverse tax consequences for the Fund; (ii) the Manager reasonably believes that the acceptance of any Index Security included in an Application Basket would be unlawful; (iii) the acceptance of any Index Security included in an Application Basket would otherwise, in the opinion of the Manager, have an adverse effect on the Fund; (iv) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (v) the Manager has suspended the rights of Participating Dealers pursuant to the Trust Deed, or (vi) an Insolvency Event occurs in respect of the Participating Dealer.

Once the Units are created, the Manager shall effect, for the account of the Fund, the issue of Units to a Participating Dealer in accordance with the Operating Guidelines.

Units are denominated in US dollars and no fractions of a Unit shall be created or issued by the Trustee.

An application for the creation and issue of Units shall only be made or accepted (as the case may be) on a Dealing Day and shall only be in respect of Units constituting an Application Unit size or whole multiples thereof. All Creation Applications shall only be accepted if made by or through a Participating Dealer in accordance with the terms of a Participation Agreement. A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Issue Price of Units 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.

A Creation Application received (or deemed received) and accepted in accordance with the Operating Guidelines on a Dealing Day shall be issued at that Dealing Day's Issue Price but, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the Register will be updated on Settlement Day or the Dealing Day immediately following Settlement Day if the settlement period is extended.

The Issue Price per Unit of the Fund shall be the Net Asset Value as at the Valuation Point of the relevant Dealing Day divided by the total number of Units rounded to the nearest 3 decimal places (or such other method of rounding as may be determined by the Manager from time to time with the approval of the Trustee).

If a Creation Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The Dealing Deadline is 12:00 p.m. (Singapore time).

For every successful application for Units, the Participating Dealer will be sent a confirmation detailing the number of Units allotted within 7 Business Days of the receipt of the application by the Registrar. All Units created through subscription of Units through the Participating Dealer will be entered on the records of CDP in the name of the Participating Dealer or its nominee.

No Units shall be issued to any Participating Dealer unless (i) the application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines, (ii) the Trustee and the Manager receive copies of the certifications required under the Participation Agreement in respect of the creation of new Units, and (iii) the Trustee and the Manager receive such other certifications and opinions of counsel as each may consider necessary to ensure compliance with applicable securities and other laws in relation to the creation and issue of Units which are the subject of the Creation Application.

The Manager may charge a Transaction Fee in respect of Creation Applications and may on any day vary the amount of the Transaction Fee it charges (but not as between different Participating Dealers). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units (and may be set off and deducted against any Cash Component due to the Participating Dealer in respect of such Creation Application(s)) for the benefit of the Trustee.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the Deposited Property.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the Register if at any time the Trustee is of the opinion that the provisions in regard to the issue of Units, are being or may be infringed.

Numerical example of Amount Payable in the case of a Cash Creation Application

The following is an illustration of the total amount payable by a Participating Dealer making a cash Creation Application based on one Application Unit of 50,000 Units and a notional Issue Price per Unit of US\$1.000 plus a spread that represents the Duties and Charges which the Manager in its discretion considers appropriate and the Transaction Fee. This example assumes that no Duties and Charges are applicable.

(50,000 Units	x	US\$1.000)	+	US\$0	+	US\$1,110	=	US\$51,110
Number of Application Units								

proposed to be subscribed	Issue Price per Unit	Duties and Charges	Transaction Fee	Total amount payable
---------------------------	----------------------	--------------------	-----------------	----------------------

*Note: The above example is for illustration purposes only and should not be taken as any forecast of future performance. Investors subscribing through a Participating Dealer (whether directly or through a stockbroker) should note that there may be other additional fees and charges (including brokerage fees and charges) payable to the Participating Dealer and/or stockbroker, and that the Participating Dealer may ultimately pass on fees and charges which it paid to the Manager and/or Trustee for the Creation Application to the end investors. Investors should consult the relevant Participating Dealer or stockbroker, as the case may be, for details on all additional fees and charges payable by investors.*

### **Cancellation of Creation Application of Units**

The Trustee shall cancel a Creation Application of Units if:

- (a) all the Index Securities and/or the cash equivalent of the Index Securities constituting the Application Basket deposited for exchange have not been vested by or on the relevant Settlement Day in the Trustee or to the Trustee's satisfaction or evidence of title and instruments of transfer satisfactory to the Trustee have not been produced to or to the order of the Trustee; or
- (b) the full amount of any cash payable (including Duties and Charges and Transaction Fee) has not been received in cleared funds by or on behalf of the Trustee by such time on the Settlement Day as prescribed in the Operating Guidelines,

provided that the Manager may at its discretion, with the approval of the Trustee, extend the settlement period (either for the Creation Application as a whole or for a particular Index Security or all the Index Securities and/or the cash equivalent of the Index Security(ies)), such extension to be on such terms and conditions (including as to the payment of an Extension Fee) as the Manager may determine.

Upon the cancellation of any Creation Application as provided for above or if a Participating Dealer otherwise withdraws a Creation Application other than in the circumstances contemplated in the Trust Deed, such Index Securities and/or the cash equivalent of the Index Securities constituting the Application Basket as have been vested in the Trustee or cash paid in connection with a Creation Application (in either case in respect of such cancelled Units) shall be redelivered or repaid (as the case may be) to the Participating Dealer and the relevant Units shall be deemed for all purposes never to have been created and the applicant therefore shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that:

- the Manager may charge the Participating Dealer for the account of the Trustee an Application Cancellation Fee, being the fee payable by the Participating Dealer in respect of a default, as set out in the Trust Deed and the Operating Guidelines applicable at the time the relevant Creation Application is made;
- the Manager may charge the Participating Dealer a Partial Delivery Request Fee for the account of the Trustee on each occasion that the Manager agrees to the Participating Dealer's request for partial delivery of the Index Securities comprising the Application Basket;
- the Manager may at its discretion require the Participating Dealer to pay to the Trustee for the account of the Fund in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have

applied in relation to each such Unit if a Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application;

- the Manager has a right to seek compensation from the Participating Dealer for the account of the Fund in the event that a Creation Application is cancelled. This compensation shall encompass all reasonable costs incurred including brokerage fees, Duties and Charges (as applicable) and any losses suffered by the Fund for having to unwind the trades as a result of the cancellation;
- the Trustee shall be entitled to the Transaction Fee payable in respect of a Creation Application; and
- no previous valuations of the Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

### **The Manager's Discretion to Accept Cash Collateral for Creation and Issue of Units**

If the Manager determines in its discretion (following a partial delivery request by a Participating Dealer) that any Index Security is likely to be unavailable for delivery or available in insufficient quantity for delivery to the Trustee in connection with a Creation Application pursuant to the Trust Deed, then the Manager shall have the right in its discretion to accept an amount of cash determined by reference to the market value at the Valuation Point for the relevant Dealing Day of such Index Security as collateral for such Index Security until it is delivered.

Any such collateral will be held for the account of the Fund and shall be redelivered to the Participating Dealer together with interest thereon as soon as practicable after delivery of such Index Securities is made. Provided that no accrued interest shall be payable to the Participating Dealer if the cash collateral is less than the minimum amount prescribed by the Trustee from time to time, currently US\$5,000 and any interest accrued and not paid to the Participating Dealer should be retained by the Fund.

The Manager may, subject to the provisions of the Participation Agreement, charge the Participating Dealer for the account of the Trustee a fee for such partial delivery request (see Partial Delivery Request Fee under "Fees and Charges Payable by Participating Dealer").

### **Procedures for Redemption of Application Unit Size**

Only Participating Dealers may apply directly to the Manager to redeem Units. The Manager shall have the exclusive right, at any time and from time to time following a Redemption Application made by a Participating Dealer in accordance with the Operating Guidelines, by notice in writing to the Trustee to effect a reduction of the assets of the Fund on the relevant Settlement Day by requiring the Trustee to cancel the number of Units specified in such notice.

A Redemption Application shall only be made or accepted (as the case may be) on a Dealing Day and shall only be in respect of Units constituting an Application Unit size or whole multiples thereof and shall only be accepted if made by or through a Participating Dealer in accordance with the terms of a Participation Agreement. The minimum holding is one Application Unit.

The Redemption Value shall be based on forward pricing which means that the Redemption Value of the Units shall not be ascertainable at the time of application to redeem Units.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit as at the Valuation Point of the relevant Dealing Day rounded to the nearest 3 decimal places (or such other method of rounding as the Manager may from time to time determine with the approval of the Trustee).

If a Redemption Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received. The Dealing Deadline is 12:00 p.m. (Singapore time).

The Manager shall, on receipt of a valid Redemption Application from a Participating Dealer, effect the redemption of the relevant Units in Application Unit size in accordance with any of (a) or (b) below (or a combination of both) as determined by the Manager in its discretion:

- (a) require the Trustee to deliver in-kind to the Participating Dealer, in accordance with the Operating Guidelines, Index Securities constituting the Application Basket for the relevant Units plus, if the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component (less any applicable Duties and Charges and the Transaction Fee). If the Cash Component is a negative value, the Participating Dealer shall be required to make a cash payment equivalent to the amount of the Cash Component to the Trustee and any applicable Duties and Charges and the Transaction Fee; or
- (b) require the Trustee to pay to the Participating Dealer, (i) a cash amount equivalent to the relevant Application Basket Value plus (ii) an amount determined by the Manager for the purpose of compensating the Participating Dealer up to the amount by which the prices used when valuing the Index Securities for the purpose of such Redemption Application are less than the sale prices actually received or to be received in selling the Index Securities for the Fund (after the deduction from the relevant sale prices of any Duties and Charges in respect of such disposal of Index Securities and the Transaction Fee).

In the event that the Fund has insufficient cash to pay any cash amount payable, the Manager may effect sales of the Deposited Property of the Fund, or borrow moneys in accordance with the Trust Deed, to provide the cash required. The Participating Dealer shall be required to make a cash payment (if any) in respect of any Redemption Application in accordance with the Operating Guidelines.

To be effective, a Redemption Application must:

- be given by a Participating Dealer in accordance with a Participation Agreement;
- specify the number of Units which is the subject of the Redemption Application; and
- include the certifications required in the Operating Guidelines in respect of redemptions of Units, together with such certifications and opinions of counsel as the Trustee and the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

A Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Manager may deduct from and set off against any Cash Component payable to a Participating Dealer on the redemption of Units such sum (if any) as the Manager may consider represents the appropriate provision for Duties and Charges and the Transaction Fee. To the extent that the Cash Component is insufficient to pay such Duties and Charges and the Transaction Fee payable on such redemption, the Participating Dealer shall promptly pay the shortfall in the currency of account for the Fund or to the order of the Trustee respectively.

The Trustee shall not be obliged to deliver (and shall have a general lien over) the Index Securities constituting the Application Basket to be delivered in respect of the relevant Redemption Application and to withhold payment to the Participating Dealer of the cash equivalent of the Index Securities where applicable, until the Units to be redeemed are received to the order of the Trustee and all Duties and Charges and Transaction Fee payable by the Participating Dealer is paid in full in cleared funds to or to the order of the Trustee.

Unless specifically requested to do so by the Participating Dealer concerned, not later than one month after the relevant Dealing Day, the Trustee shall be under no obligation to check the calculation of the Redemption Value in connection with any redemption or cancellation of Units but shall be entitled at any time before the audited accounts of the Fund, covering the relevant Dealing Day, have been prepared, to require the Manager to justify its calculation of the Redemption Value.

Any Index Securities to be delivered and cash to be paid in respect of a Redemption Application shall be delivered and/or paid on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and, where any amount is to be paid by telegraphic transfer to a bank account in Singapore, verified in such manner as may be required by, and to the satisfaction of, the Trustee) has been received in accordance with the Operating Guidelines and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the Units to be cancelled and the full amount of any cash payable by the Participating Dealer and any Duties and Charges and the Transaction Fee payable have been deducted or otherwise paid in full.

On the relevant Settlement Day in relation to an effective Redemption Application:-

- the Units, which are the subject of the Redemption Application, shall be redeemed and cancelled;
- the assets of the Fund shall be reduced by the cancellation of those Units but, for valuation purposes only, such Units shall be deemed to have been redeemed and cancelled after the Valuation Point as at the Dealing Day on which the Redemption Application was received; and
- the name of the Unitholder of such Units shall be removed from the Register of the Fund in respect of those Units on the relevant Settlement Day,

and the Trustee shall (if applicable) deliver the Index Securities relevant to the Redemption Application out of the Deposited Property to the Participating Dealer and/or pay the cash relevant to the Redemption Application out of the Deposited Property to the Participating Dealer.

No Index Securities shall be delivered and no cash shall be paid in respect of any Redemption Application to the Participating Dealer unless Units, which are the subject of the Redemption Application, have been delivered to the Manager for redemption by such time on the Settlement Day as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally. In the event that Units, which are the subject of a Redemption Application, are not delivered to the Manager for redemption in accordance with the foregoing:

- the Redemption Application shall be deemed never to have been made except that the Transaction Fee in respect of such application shall remain due and payable and once paid, shall be retained by the Trustee;
- the Manager may charge the Participating Dealer for the account of the Trustee an Application Cancellation Fee, being the fee payable by the Participating Dealer in respect of a default, as set out in the Trust Deed and the Operating Guidelines applicable at the time the relevant Redemption Application is made;

- the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Fund, in respect of each Unit Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if a Participating Dealer had, on the final day permitted for delivery of Units the subject of the Redemption Application, made a Creation Application; and
- no previous valuations of the Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

The Manager, with approval of the Trustee, may at its discretion extend the settlement period such extension to be on such terms and conditions (including as to the payment of an Extension Fee) as the Manager may determine but, in any event, not later than one month from the receipt of an effective Redemption Application.

The Manager may charge a Transaction Fee in respect of Redemption Applications for the benefit of the Trustee and may on any day vary the amount of the Transaction Fee it charges (but not as between different Participating Dealers). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Redemption Application(s)).

Numerical example of the Amount of Redemption Proceeds Payable in the case of a Cash Redemption Application

The following is an illustration of the redemption proceeds a Participating Dealer will receive based on a cash Redemption Application based on one Application Unit of 50,000 Units and a notional Redemption Value per Unit of US\$1.000 minus a spread that represents the Duties and Charges which the Manager in its discretion considers appropriate and the Transaction Fee. This example assumes that no Duties and Charges are applicable.

(50,000 Units	x	US\$1.000)	-	US\$0	-	US\$1,810	=	US\$48,190
Number of Application Units proposed to be redeemed		Redemption Value per Unit		Duties and Charges		Transaction Fee		Redemption Proceeds

*Note: The above example is for illustrative purposes only and should not be taken as any forecast of future performance. Investors redeeming through a Participating Dealer (whether directly or through a stockbroker) should note that there may be other additional fees and charges (including brokerage fees and charges) payable to the Participating Dealer and/or stockbroker, and that the Participating Dealer may ultimately pass on fees and charges which it paid to the Manager and/or the Trustee for the Redemption Application to the end investors. Investors should consult the relevant Participating Dealer or stockbroker, as the case may be, for details on all additional fees and charges payable by investors.*

**DIRECTED CASH DEALING**

Where a Participating Dealer subscribes or redeems in cash, the Manager may at its sole discretion (but shall not be obliged to) transact with a broker/dealer nominated by the Participating Dealer. Should the nominated broker/dealer default on, or change the terms for, any part of the transaction, the Participating Dealer shall bear all the associated risks and costs. In such circumstances the Manager has the right to transact with



another broker/dealer and amend the terms of the Creation or Redemption Application to take into account the default and the changes to the terms.

## **NO CERTIFICATES**

Certificates will not be issued in respect of Units in the Fund. Units will be deposited, cleared and settled by the CDP, and held in book-entry form. CDP is the registered owner (i.e. the sole Unitholder on 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).

## **DETERMINATION OF NET ASSET VALUE**

The Net Asset Value of the Fund will be determined as at the Valuation Point (or at such other time as the Manager and the Trustee may determine) by valuing the assets of the Fund and deducting the liabilities of the Fund, in accordance with the terms of the Trust Deed.

The Trust Deed provides amongst other things that:-

- (i) except in the case of any interest in a mutual fund corporation or a unit trust to which paragraph (ii) applies, all calculations based on the value of investments quoted, listed, traded or dealt in on any securities market shall be made by reference to the price appearing to the Manager to be the official closing price or last known transacted price on the Market for such investments unless such prices are not representative or not available, in which case the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the official closing prices or last known transacted prices;
- (ii) the value of each interest in any mutual fund corporation or unit trust shall be the last available net asset value per share or unit in such mutual fund corporation or unit trust;
- (iii) if no net asset value, bid and offer prices or price quotations are available as provided in paragraph (ii) above, the value of the relevant investment shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager with the approval of the Trustee;
- (iv) the value of any investment which is not listed or ordinarily dealt in on a Market shall be based on its fair value (being the price that the Fund would reasonably expect to receive upon the current sale of the investment) made by a person approved by the Trustee as qualified to value such investments;
- (v) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the fair value thereof; and
- (vi) notwithstanding the foregoing, the Manager may adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment is required to reflect the fair value of the investment.

## **ISSUE PRICE AND REDEMPTION VALUE**

The Issue Price of Units, created and issued pursuant to a Creation Application, shall be the Net Asset Value divided by the total number of Units in issue rounded to the nearest 3 decimal places (or such other method of rounding as the Manager may determine from time to time with the approval of the Trustee).

The Redemption Value of Units on a Dealing Day shall be the Net Asset Value of the Fund divided by the total number of Units in issue rounded to the nearest 3 decimal places (or such other method of rounding as may be determined by the Manager from time to time with the approval of the Trustee).

## **SUSPENSION OF VALUATIONS AND DEALINGS**

Subject to the provisions of the Code relating to suspension of dealings, the Manager and/or the Trustee may, after giving notice to the other party, declare a suspension of the determination of the Net Asset Value of the Fund and the creation or issue of Units for the whole or any part of any period during:

- (a) which there exists any state of affairs prohibiting the normal disposal of the Fund's investments; or
- (b) which there is a breakdown in any of the means normally employed in determining the Net Asset Value or the Net Asset Value per Unit of the Fund, or when for any other reason the value of any security or other asset in the Fund cannot, in the opinion of the Manager and/or the Trustee, reasonably, promptly and fairly be ascertained; or
- (c) which circumstances exist as a result of which, in the opinion of the Manager and/or the Trustee, it is not reasonably practicable to realise any securities held or contracted for the account of the Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders; or
- (d) which the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities held by the Fund or the subscription or realisation of Units is delayed or cannot, in the opinion of the Manager and/or the Trustee, be carried out promptly or at normal rates of exchange; or
- (e) which the right to redeem Units of the Fund is suspended; or
- (f) any 48 hour period (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Unitholders (or any adjourned meeting thereof); or
- (g) 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; or
- (h) any period when a Relevant Exchange on which a substantial part of the Fund's investment is quoted, listed or dealt in is closed otherwise than for ordinary holidays; or
- (i) any period when dealings on a Relevant Exchange on which a Security has its primary listing are restricted or suspended; or
- (j) any period when the market value or fair value of a material portion of the Fund's assets cannot be determined; or
- (k) any period as may be required under the provisions of the Code.

Subject to the provisions of the Code, the Manager and/or the Trustee may, at its/their discretion, at any time after giving notice to each other, and where practicable following consultation with the Participating Dealer, suspend the right of the Participating Dealer to require the redemption of Units and/or delay the payment of any moneys and transfer of any Securities in respect of any Redemption Application during:

- (i) any period when a Relevant Exchange on which an Index Security has its primary listing, or the official clearing and settlement depository (if any) of such Relevant Exchange, is closed otherwise than for ordinary holidays; or
- (ii) any period when dealings on a Relevant Exchange on which a Security has its primary listing are restricted or suspended; or
- (iii) any period when, in the opinion of the Manager and/or the Trustee, settlement or clearing of Securities in the official clearing and settlement depository (if any) of such Relevant Exchange is disrupted; or
- (iv) the existence of any state of affairs as a result of which delivery or purchase of Securities or disposal of investments for the time being comprised in the Fund cannot, in the opinion of the Manager and/or the Trustee, be effected normally or without prejudicing the interests of Unitholders; or
- (v) any period when the Index is not compiled or published or becomes unavailable or is unable to be tracked or used in relation to the Fund for any reason whatsoever; or
- (vi) any breakdown in the means normally employed in determining the Net Asset Value or the Net Asset Value per Unit or when for any other reason the Value of any Securities or other property for the time being comprised in the Fund cannot, in the opinion of the Manager and/or the Trustee, reasonably, promptly and fairly be ascertained; or
- (vii) any 48 hour period (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Unitholders (or any adjourned meeting thereof); or
- (viii) 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; or
- (ix) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority; or
- (x) any period as may be required under the provisions of the Code.

In addition, the Manager and/or the Trustee will suspend the right to redeem Units when dealings in the Units on the SGX-ST are restricted or suspended.

Subject to the provisions of the Code relating to suspension of dealings, such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value until the Manager and/or the Trustee shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised shall exist.

Whenever the Manager and/or the Trustee declare such a suspension, the Manager shall, as soon as may be practicable after any such declaration, notify the Authority in accordance with the requirements in the Code. At least once a month during the period of such suspension, the Manager will publish an

announcement on its website containing information about the suspension of the determination of the Net Asset Value and/or suspension of dealings. Such suspension will also be publicly announced on the SGXNET. The Manager shall notify Unitholders when dealing in Units has been resumed.

No Units will be created or issued during any period of suspension. The Manager and/or the Trustee may at any time by notice to the other parties, suspend the issue of Units if, as a result of the investment of the proceeds of issue of such Units, the Fund would breach a provision of the Investment and Borrowing Guidelines, and the relevant provisions relating to suspension of the right of Unitholders to redeem Units shall also apply in accordance with the provisions of the Trust Deed.

## **DISTRIBUTION POLICY**

The Manager may in its absolute discretion decide to distribute income to Unitholders at such times as it may determine in each financial year. The amount to be distributed to Unitholders will be derived from the net income of the Fund. The Manager currently intends to pay out income distribution of the Fund to Unitholders annually and there is currently no income reinvestment service for the Fund. Such distributions, if any, will be paid in US\$, regardless of the currency in which the Units are traded. Distributions will only be paid to the extent that they are available for distribution pursuant to the Trust Deed.

On a distribution, the Trustee, in accordance with the instructions of the Manager, will allocate the amounts available for distribution and will pay such amount to the CDP who will in turn allocate and make the necessary payment to the Unitholders based on the number of Units held by each Unitholder on the record of the CDP or its depository agents.

Amounts to be distributed in respect of each Unit shall be rounded to the nearest US\$0.01 per Unit. Subject to the Trust Deed, the Trustee shall cause distributions payable to a Unitholder which remains unclaimed by the Unitholder 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.

Income received by the Fund pending distributions may be invested by the Manager in a manner consistent with achieving the investment objective of the Fund.

On 26 April 2018, the Fund made a dividend distribution of US\$0.38 per Unit. This dividend distribution comprised US\$0.14 per unit made out of Singapore one-tier dividend and other exempt income, and US\$0.24 per unit made out of other dividends (foreign taxable dividends and foreign tax-exempt dividends).

## **FEES, CHARGES AND EXPENSES**

### **Manager's Fee**

The Manager is entitled to receive a management fee, currently at the rate of 0.65% per annum of the Net Asset Value of the Fund accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Under the terms of the Trust Deed, the Manager may, on giving not less than one month's notice to the Trustee and the Unitholders, increase the rate of the management fee payable up to or towards the maximum rate of 2.0% per annum of the Net Asset Value of the Fund accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Manager will pay all fees and expenses chargeable by the Trustee, Custodian, Registrar, Index Provider and the Auditors, out of its own management fee and shall not be charged to the Fund.

## General Expenses

Any promotional expenses incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Fund will not be paid (either in whole or in part) out of the assets of the Fund.

All the expenses incurred in connection with the convening of meetings of Unitholders and all other transactional costs and operating costs (relating to the administration of the Fund) shall be paid out of the assets of the Fund.

The cost and expenses for the preparation of this Prospectus and any supplementary, replacement or updated prospectus, product highlights sheets, reports and/or other statements to Unitholders will be borne by the Fund.

## Fees and Charges Payable by Participating Dealers

The fees and charges payable by Participating Dealers in respect of the Fund are summarised as follows (these fees will not affect retail investors):

<b>Creation of Units:</b>	
Transaction Fee <sup>2</sup> - full securities settlement or partial securities settlement	US\$1,110 per Application.
Transaction Fee – full cash settlement	US\$910 per Application.
Application Cancellation Fee <sup>3</sup>	US\$2,100 per Application.
Extension Fee <sup>4</sup>	US\$2,100 per Application.
Partial Delivery Request Fee <sup>5</sup>	US\$2,100 per Application.

<b>Redemption of Units:</b>	
Transaction Fee <sup>3</sup> - full securities settlement or partial securities settlement	US\$1,810 per Application.
Transaction Fee – full cash settlement	US\$1,460 per Application.
Application Cancellation Fee <sup>4</sup>	US\$2,100 per Application.
Extension Fee <sup>5</sup>	US\$2,100 per Application.

## Fees and Charges Payable by Retail Investors Dealing in Units on the SGX-ST

The fees and charges payable by retail investors dealing in Units in the Fund on the SGX-ST are summarised as follows:

Subscription/Redemption fee	Not Applicable.
-----------------------------	-----------------

<sup>2</sup> A Transaction Fee (which includes the conversion agent fee, transaction charges and out-of-pocket expenses) is payable by the Participating Dealer to the Trustee for the benefit of the Conversion Agent (which is State Street Bank and Trust Company).

<sup>3</sup> The Application Cancellation Fee is payable by the Participating Dealer to the Trustee for its own benefit on each occasion that a Creation or Redemption Application is cancelled by the Participating Dealer or the Trustee where applicable.

<sup>4</sup> The Extension Fee is payable by the Participating Dealer to the Trustee for its own benefit on each occasion that the Manager grants the Participating Dealer's request for extending settlement in respect of an Application.

<sup>5</sup> The Partial Delivery Request Fee is payable by the Participating Dealer to the Trustee for its own benefit on each occasion that the Manager grants the Participating Dealer's request for partial delivery of the Index Securities in respect of an in-kind Creation Application.

Brokerage	Market rates. Investors will have to bear brokerage fees charged by their stockbrokers.
Clearing fee	Currently the clearing fee for trading Units on the SGX-ST is at the rate of 0.0325% of the transaction value, subject to the prevailing goods and services tax ("GST").

### **Fees and Charges Payable by the Fund**

The fees and charges payable by the Fund are summarised as follows:

Manager's fee	<p>Currently 0.65% of Net Asset Value per annum. Maximum 2.00% of Net Asset Value per annum.</p> <p>The annual Manager's fee is retained by the Manager as the Manager does not pay any trailer fees with respect to the Fund.</p>
---------------	--

Note: The fees of the Trustee, Custodian, Registrar, Index Provider and Auditors will be borne by the Manager and will not be charged to the Fund.

### **RISK FACTORS**

*The Fund is subject to the following principal risks. Some or all of the following risks may adversely affect the Fund's Net Asset Value, yield, total return and/or its ability to achieve its investment objective. Investors should note the following risk factors associated with investing in the Fund. The following statements are intended to be summaries of some of those risks. They are by no means exhaustive and they do not offer advice on the suitability of investing in the Fund. Investors should carefully consider the risk factors described below together with all of the other information included in this Prospectus before deciding whether to invest in Units of the Fund.*

#### **Market Risk**

The Net Asset Value will change with changes in the market value of the Securities held by the Fund. The price of Units and the income from them may go down as well as up. Investors may not get back their original investment. Whilst the Manager currently intends to pay out income distributions of the Fund annually, there is no guarantee that the Manager would make such distributions to investors. Investment in the Fund involves risks similar to those inherent in any fund of equity securities traded on an exchange, such as market fluctuations caused by factors like economic and political developments, changes in interest rates and foreign exchange. A significant decline in the value of the Index can therefore be expected to result in a similar decline in the Net Asset Value of the Units.

#### **Passive Investment**

The Fund is not actively managed. Accordingly, the Fund may be affected by a decline in world market segments relating to the Index. The Fund invests in the Index Securities included in the Index. The Manager does not attempt to select stocks individually or to take defensive positions in declining markets.

#### **Tracking Error Risk**

Factors such as the fees and expenses of the Fund, imperfect correlation between the Fund's assets and the

Index Securities constituting the Index, rounding of share prices, changes to the Index and regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the Index. The Fund's returns may therefore deviate from the Index and there is no assurance that the Fund will be able to fully track the performance of the Index. A replication strategy is adopted to minimise tracking error, by investing the Fund's assets in substantially the same weightings as the Index. Re-investing the cash dividends received for the equity holdings of the Fund is also done to keep the Fund's cash holdings to a low level that is operationally optimal while minimising tracking error.

### **Concentration**

If the Index comprises Index Securities that are concentrated in a particular group of stocks, industry or group of industries, the Fund may be adversely affected by the performance of those stocks and be subject to price volatility. In addition, if the Fund is concentrated in a single stock, group of stocks, industry or group of industries, it may be more susceptible to any single economic, market, political or regulatory occurrence. Please refer to Appendix I for more information on the constituent stocks of the Index and their weighting in the Index.

### **Foreign Security Risk**

An investment in Units of the Fund involves risks similar to those of investing in a broad-based portfolio of equity securities traded on exchanges in the relevant overseas securities market, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and perceived trends in stock prices. The principal risk factors, which could decrease the value of your investment, are listed and described below:

- less liquid and less efficient securities markets;
- greater price volatility;
- exchange rate fluctuations and exchange controls;
- less publicly available information about issuers;
- the imposition of restrictions on the repatriation of funds or other assets of the Fund;
- higher transaction and custody costs and delays and risks of loss attendant in settlement procedures;
- difficulties in enforcing contractual obligations;
- lesser levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- more substantial government involvement in the economy;
- higher rates of inflation; and
- greater social, economic, and political uncertainty and the risk of nationalization or expropriation of assets and risk of war or terrorism.

### **Emerging Market Risk**

The Fund will invest in Index Securities listed on stocks exchanges of ASEAN countries, including Malaysia, Indonesia, Thailand and Philippines, which are considered to be emerging markets as compared to Singapore. These markets are subject to special risks associated with foreign investment in these emerging markets including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange controls; imposition of restrictions on the

repatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; lesser regulation of securities markets; smaller market capitalisation; different accounting and disclosure standards; governmental interference; greater risk of market shutdown; the risk of expropriation of assets; higher inflation; social, economic and political uncertainties; and the risk of war.

### **Foreign Exchange Risk**

As the Fund's investments are generally invested in ASEAN securities such that a substantial portion of the revenue and income of the Fund may be received in a currency other than the Fund's base currency of US dollars, any fluctuation in the exchange rate of the US dollar relative to the relevant foreign currency will affect the Net Asset Value of the Fund. As the Fund's Net Asset Value is determined on the basis of the US dollar, you may lose money if the local currency of an ASEAN market comprised in the Index depreciates against the US dollar, even if the local currency value of that Index Security goes up. The Manager currently does not intend to hedge against such foreign currency exposure. The Fund will also not be hedged against the Singapore dollar hence a Singapore-based investor and an investor trading in Units in S\$ will be exposed to exchange rate risks.

### **Trading Risk**

The Fund is structured as an index fund and the Net Asset Value of Units of an index fund will fluctuate with changes in the market value of the index fund's holdings of Securities and changes in the exchange rate between the US dollar and the subject foreign currency. The market prices of Units will fluctuate in accordance with changes in Net Asset Value and supply and demand on any exchange on which Units are listed. The Manager cannot predict whether Units will trade below, at or above their Net Asset Value. Price differences may be due, in large part, to the fact that supply and demand forces in the secondary trading market for Units will be closely related, but not identical, to the same forces influencing the prices of the Securities trading individually or in the aggregate at any point in time. Given, however, that Units must be created and redeemed in Application Unit aggregations (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value), the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. In the event that the Manager suspends creations and/or redemptions of Units of the Fund, the Manager expects larger discounts or premiums.

### **Right of the Authority to withdraw authorisation of the Fund**

The Fund has been authorised as a Collective Investment Scheme by the Authority pursuant to Section 286 of the Securities and Futures Act. The Authority however reserves the right to withdraw the authorisation of the Fund if, amongst other factors, the Index is no longer considered acceptable to the Authority.

### **Absence of active trading market**

Although the Units are listed for trading on the SGX-ST, there can be no assurance that an active trading market will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Further, there can be no assurance that investors in the Units will experience trading or pricing patterns similar to those of market-traded shares which are issued by investment companies in other jurisdictions or which are based upon indices other than the Index.

### **Dealing risk**

Following listing on the SGX-ST, it is likely that the Units may not be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to



sell. In order to address such dealing risk, a market maker has been appointed for trading of the Units.

### **Creation and Redemption through Participating Dealers**

Investors may generally not create or redeem Units directly with the Manager and in any event can only create or redeem Units through Participating Dealers if investors are clients of the relevant Participating Dealer. The Participating Dealers are under no obligation to agree to do so on behalf of any investor and may impose terms and conditions in connection with such creation or redemption orders from investors. Each Participating Dealer may, in its absolute discretion, refuse to accept a creation order from an investor and can charge such fees as it may determine. If an investor has been allowed to create Units through a Participating Dealer, such investor may request for a redemption of the Units through the same or other Participating Dealers and the relevant Participating Dealer may, in its absolute discretion, refuse to accept a redemption request from an investor. The willingness of a Participating Dealer to redeem Units may depend upon, but is not limited to, that Participating Dealer's ability to sell the relevant Index Securities as well as any agreement which may be reached between the investor and the Participating Dealer. The Participating Dealer 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 through the CDP is disrupted or the Index is not compiled or published. In addition, the Participating Dealer will not be able to create or redeem Units if some other event occurs which impedes the calculation of the Net Asset Value of the Fund or disposal of the Fund's portfolio securities cannot be effected.

### **Risk of investment diminution**

The value of the Securities which the Fund invests may go down as well as go up. Stock values could decline generally or could underperform other types of investments. Investors may not get back their original investment.

### **Risk inherent in Index Securities**

As the Fund invests in Index Securities, the price of Units may fluctuate in response to changes in interest rates, foreign exchange, economic and political conditions and the financial condition of issuers of the Index Securities.

### **Lack of discretion by Manager to adapt to market changes**

The Index Securities held by the Fund will passively reflect the distribution of companies whose securities are included in the Index. Therefore, adverse changes in the financial condition or share performance of any company included in the Index will not result in the sale of the shares of such company by the Fund, and will be likely to adversely affect the Fund's value and the trading price of the Units. The Manager will have limited discretion to remove the securities of such company from the Fund.

### **Units may trade at prices other than at Net Asset Value**

The Net Asset Value 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 Net Asset Value. There is a risk, therefore, that Unitholders may not be able to buy or sell at a price close to this Net Asset Value. The deviation from Net Asset Value 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. However, given that the Units can be created and redeemed in Creation and Redemption Unit sizes by Participating Dealers, as applicable, it is not anticipated that large discounts or premiums will be sustained.

### **Trading in Units on the SGX-ST may be suspended**

Investors 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. The creation and redemption of Units will also be suspended in the event that the trading of Units on the SGX-ST is suspended. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. Investors cannot be assured 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 the listing requirements. The Fund may be terminated if Units are delisted from the SGX-ST. Dealings of Units on the SGX-ST may not necessarily be suspended in the event that 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 Net Asset Value of the Fund.

### **Fund is not a typical unit trust**

Investors should note that the Fund is not like a typical unit trust offered to the public in Singapore. Units may only be created and redeemed in Application Unit sizes by Participating Dealers and Units may not be subscribed for, or redeemed, directly by retail investors. For so long as the Units are listed for quotation on the SGX-ST, retail investors shall have no right to request the Manager to redeem or purchase their Units. 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 CDP is disrupted or the Index is not compiled or published. Investors may generally only realise the value of their Units by selling their Units on the SGX-ST. These features are not usually present in a typical unit trust offered to the public in Singapore, where units can generally be purchased and redeemed directly by the retail public.

### **Minimum creation and redemption size**

Units will normally only be issued or redeemed in Creation Unit or Redemption Unit size aggregates (currently 50,000 Units or whole number multiples thereof). Investors who do not hold Redemption Unit size aggregates may only be able to realise the value of their Units by selling their Units on the SGX-ST.

### **Minimum Fund Size**

The Fund is structured as an index fund with a low total expense ratio (including such items such as Manager's fees and Trustee's fees). As with any fund, in order to remain viable, the size of the Fund must be sufficient to cover at least its fixed operating costs; given the relatively low fees charged to and payable by the Fund, this means, that the minimum size of the Fund needs to be significantly larger than other typical unit trusts.

### **Registration or cross-listing of Fund in other markets**

There is a likelihood that the Fund may in the future be registered on other markets, or cross-listed on other exchanges, or otherwise offered in other jurisdictions. As this is expected to improve the liquidity for existing Unitholders and result in more efficient secondary market pricing due to increased scope for arbitrage, the Manager may be permitted by the Trustee to charge the related costs to the Fund.

## **RISK FACTORS RELATING TO THE INDEX**

### **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 Net Asset Value of the Units and the Index. 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. The computation of the Index may be inaccurate or incomplete if, amongst other factors, the information received by the Index Provider from the Relevant Exchanges is inaccurate or incomplete.

### **Index is subject to fluctuations**

The performance of the Units should correspond closely with the performance of the Index. The Index may experience periods of volatility in the future. If the Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

### **Composition of and weightings in the Index may change**

The Securities which comprise the Index are changed by FTSE from time to time. The price of the Units may rise or fall as a result of such changes. The composition of the Index may also change if one of the constituent companies were to delist its securities or if a new eligible company were to list its securities and be added to the Index. If this happens, the weighting or composition of the Index Securities invested by the Fund would be changed as considered appropriate by the Manager in order to achieve the Investment Objective. Thus, an investment in Units will generally reflect the Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Appendix II – “The FTSE/ASEAN 40 Index” describes how the Index is compiled.

### **Licence to use the Index may be terminated or the Index may no longer be available for benchmarking**

The Manager has been granted a licence by FTSE to use the Index in connection with the operation, marketing and promotion of the Fund. The Fund may be terminated if the Index licence agreement is terminated or the Index is no longer available for benchmarking and the Manager is unable to identify or agree with the Index Provider or any other index provider terms for the use of a suitable replacement index that gives, in the opinion of the Manager, the same or substantially similar equity exposure as the Index. Any such replacement index will be notified to Unitholders. Accordingly, investors should note that the ability of the Fund to track the Index depends on the continuation in force of the Index licence agreement in respect of the Index or a suitable replacement.

### **Compilation of the Index**

No warranty, representation or guarantee is given as to the accuracy or completeness of the Index and its computation or any information related thereto. The process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by FTSE without notice.

## **DISCLAIMERS**

### **Disclaimer by FTSE**

The Fund is not in any way sponsored, endorsed, sold or promoted by FTSE or by the London Stock Exchange Group companies (“LSEG”) and neither FTSE nor LSEG makes any warranty or representation

whatsoever, expressly or impliedly, either as to the results to be obtained from the use of 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 in conjunction with Indonesia Stock Exchange, Bursa Malaysia Berhad, The Philippine Stock Exchange, Inc., Singapore Exchange Securities Trading Limited and the Stock Exchange of Thailand (the “**Exchanges**”). However, neither FTSE, LSEG, nor the Exchanges shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE, LSEG, nor the Exchanges shall be under any obligation to advise any person of any error therein.

**“FTSE®”, “FT-SE®”, and “Footsie®”, are trademarks of LSEG and are used by FTSE International Limited under licence.**

#### **Disclaimer by State Street Bank and Trust Company**

In respect of this Prospectus or any advertisement issued by any person (other than a member of State Street Bank and Trust Company group) no member of State Street Bank and Trust Company group, or any employee of any member of State Street Bank and Trust Company group (i) makes any representation or accepts any responsibility for the issuance or contents thereof, or (ii) makes any representation as to the accuracy or completeness thereof, or (iii) has acted as an expert in connection with the preparation thereof, and each such member of State Street Bank and Trust Company group expressly disclaims any liability whatsoever to any person, including any Unitholder, for any loss howsoever arising from or in reliance upon the whole or any part of the contents thereof. To the extent permitted by law, State Street Bank and Trust Company group expressly disclaims any liability whatsoever to any Unitholder.

#### **REPORTS AND ACCOUNTS**

The financial year-end of the Fund is 31 December every year. Audited accounts and the annual report are to be prepared and sent to Unitholders (whether by post or such electronic means as may be permitted under the Code) within three months of each financial year-end (unless otherwise waived or permitted by the Authority). Semi-annual unaudited accounts and the semi-annual reports are to be prepared and sent to Unitholders (whether by post or such electronic means as may be permitted under the Code) within two months of 30 June (unless otherwise waived or permitted by the Authority). The contents of the reports will comply with the requirements of the Code and the Listing Rules. In cases where the accounts and reports are available in electronic form, Unitholders will receive a hardcopy letter or an email (where email addresses have been provided for correspondence purposes) informing them that the accounts and reports are available and how they may be accessed. Unitholders may also request for hardcopies of the accounts and reports within 1 month (or such other period as may be permitted by the Authority) from the notification of the availability of the accounts and reports. The Trustee will also make available, or cause to be made available, hardcopies of the accounts and reports to any Unitholder who requests for them within 2 weeks of any request from such Unitholder (or such other period as may be permitted by the Authority).

The Code currently requires accounts to be prepared in accordance with Recommended Accounting Practice 7: Reporting Framework for Unit Trusts issued by the Institute of Certified Public Accountants of Singapore (“**RAP 7**”).

#### **TRUST DEED**

The Fund is established under Singapore law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. In the event of any conflict between any of the provisions of this Prospectus and those of the Trust Deed, Participation Agreement or Custodian Agreement, the provisions of the Trust Deed, Participation Agreement or Custodian Agreement shall prevail over the Prospectus. The Trust Deed contains

provisions for the indemnification of the Trustee and the Manager and their respective agents and their relief from liability in certain circumstances. Unitholders and intending applicants are advised to consult the terms of the Trust Deed. All material amendments to the Trust Deed will be announced on the SGXNET.

## **MODIFICATION OF TRUST DEED**

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee such modification (i) is not materially prejudicial to the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Fund or (ii) is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error or to remove obsolete provisions. In all other cases modifications require the sanction of an extraordinary resolution of the Unitholders affected.

Subject to the Code, any material modifications to the Trust Deed, unless they are sanctioned by an extraordinary resolution of the Unitholders affected or in the opinion of the Trustee are not of material significance or are made to correct a manifest error or to remove obsolete provisions, will be notified to the Unitholders as soon as practicable after they are made.

## **VOTING RIGHTS**

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing one-tenth or more of the current Units in issue. These meetings may be used to modify the terms of the Trust Deed, including to increase the maximum fees payable to the service providers, to remove the Trustee or to terminate the Fund at any time. Such amendments to the Trust Deed must be passed by a 75% majority of the votes cast. Unitholders will be given not less than 14 days' notice of such meeting.

The Manager, Trustee, Custodian and their respective Connected Persons and directors of the Manager are prohibited from voting their beneficially held Units at or be counted in the quorum for a meeting at which they have a material interest in the business to be contracted.

The Manager should in respect of voting rights relating to investments of the Fund where the Manager would face conflicts of interests, cause these votes to be exercised in consultation with the Trustee.

## **RESTRICTIONS ON UNITHOLDERS**

Every person purchasing Units will be deemed to have represented, agreed and acknowledged that it is not an Unauthorised US Person.

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:-

- a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Fund being adversely affected which the Fund might not otherwise have suffered; or
- in the circumstances which, in the Manager's opinion, may result in the Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered; or
- held by an Unauthorised US Person.

Upon notice that any Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed.

## **TRANSFER OF UNITS**

Units held by Unitholders may be transferred by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the relevant Register in respect of such Units.

For so long as the Units are listed on the SGX-ST, transfers of Units between depositors (i.e. direct account holders with the CDP and depository agents whose names are entered in CDP's register in respect of Units held by them) shall be effected electronically through the CDP making an appropriate entry in CDP's electronic register of the Units that have been transferred in accordance with CDP trading requirements, and the above paragraph will not apply to such transfers.

## **CONFLICTS OF INTEREST**

The Manager, the Custodian, the Registrar and the Trustee may from time to time act as trustee, administrator, broker, registrar, secretary, manager, custodian or investment manager (as applicable) or other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Fund.

In addition, subject to the provisions of the Code relating to transactions with related parties:-

- the Manager or any of their Connected Persons or any of the Trustee's Connected Persons may enter into investments for the Fund as agent for the Trustee and may, with the consent of the Trustee, deal with the Fund as principal;
- the Trustee, the Manager, the Custodian or the Registrar or any of their Connected Persons may have banking or other financial relationships with any company or party which is the issuer of securities, financial instruments or investment products held by the Fund;
- the Trustee, the Manager, the Custodian or the Registrar or any of their Connected Persons may hold and deal in Units or in investments held by the Fund either for their own account or for the account of their customers; and
- the monies of the Fund may be deposited with the Manager, the Trustee, the Custodian or the Registrar or any of their Connected Persons or invested in certificates of deposit or banking instruments issued by any of them.

It is, therefore, possible that any of the Trustee, the Manager, the Custodian or the Registrar or their Connected Persons may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and to Unitholders and will endeavour to ensure that such conflicts are resolved fairly and on an arm's length basis. There will be no obligation on the part of any such parties to account to the Fund or to Unitholders for any benefits so arising and any such benefits may be retained by the relevant party.

## **REMOVAL OF THE MANAGER**

If any of the following events shall occur, namely:-

- if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Trustee) or if a receiver is appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Manager; or
- if in the opinion of the Trustee, the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any obligations imposed on the Manager by the Trust Deed. In such an event, the Trustee shall appoint another manager (duly approved as may be required by law for the time being applicable to the Trust Deed) as the new manager Provided Always That nothing in the Trust Deed shall derogate from the rights of the Manager to challenge such decision by the Trustee as set out in the Trust Deed; or
- the Unitholders by an extraordinary resolution duly passed at a meeting of Unitholders (for which purpose Units held or deemed to be held by the Manager shall not be included) shall so decide on a change of Manager; or
- the Authority withdraws its approval of the Manager as manager of the Fund or directs the Trustee to remove the Manager,

the Trustee may, subject to the Listing Rules, by notice in writing to the Manager remove the Manager from office and (subject to the Trust Deed) upon service of such notice the Manager shall cease to be the manager of the Fund.

## **RETIREMENT OF THE MANAGER**

Under the terms of the Trust Deed, the Manager may retire in favour of another manager that is acceptable to the Trustee and the relevant authorities by giving prior notice in writing to that effect to the Trustee. The Trustee shall as soon as practicable and by not more than 30 days after the Manager has indicated its intention to retire, give notice to Unitholders to convene a meeting of Unitholders to approve some other person considered by the Trustee to be suitably qualified to act as manager of the Fund.

Any change to the manager of the Fund will be announced forthwith on the SGXNET.

## **LIABILITY AND INDEMNITY OF MANAGER AND TRUSTEE**

None of the Trustee, the Manager or the Registrar or each of their duly appointed agents shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other document of title, or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

None of the Trustee, the Manager, the Registrar or each of their duly appointed agents shall be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any certificate or to any transfer or form of application, request for realisation, endorsement or other document affecting the title to or transmission of Units (including signatures on such documents received by facsimile or electronic transmission) or be in any way liable for any forged or unauthorised signature on or seal affixed to such endorsement, transfer, form or other document or for acting on or giving effect to any such forged or unauthorised signature or seal or for exercising their discretion not to act on such instructions received by facsimile or electronic transmission, provided that the Trustee, the Manager, the Registrar or each of their

duly appointed agents reasonably believed that such signature or seal was authentic.

Notwithstanding the provisions of the Trust Deed, the Trustee, the Manager and each of their duly appointed agents respectively may (but shall not be bound to) require that the signature of any Unitholder or joint Unitholder to any document required to be signed by him under or in connection with the Trust Deed or the Fund shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

The Trustee, the Manager and each of their duly appointed agents may accept as sufficient evidence of the value of any investment or the cost price or sale price thereof or of any market quotation a certificate by a person, firm or association qualified in the opinion of the Manager and Trustee to provide such a certificate.

The Trustee, the Manager and each of their duly appointed agents may rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any investment is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Trust Deed.

None of the Trustee, the Manager or the Registrar or each of their duly appointed agents shall be responsible for acting upon any resolution purporting to have been passed at any meeting of Unitholders, in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Unitholders in the Fund.

None of the Trustee, the Manager or the Registrar or each of their duly appointed agents shall incur any liability to the Unitholders or any of them for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree, order or judgment of any court or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government or regulatory authority (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing.

If the Manager, the Trustee or the Registrar or each of their duly appointed agents is requested by any department of any government or administration to provide such department with any information regarding any one or more of the following, namely, the Fund, the Unitholders or any of them, the Fund's investments, the income of the Fund, or the provisions of the Trust Deed, and complies with such request, whether or not enforceable, none of the Trustee, the Manager, the Registrar or each of their duly appointed agents shall incur any liability to the Unitholders or any of them or to any other person as a result of such compliance or in connection with such compliance.

If for any reason it becomes impossible or impracticable to carry out the provisions of the Trust Deed none of the Trustee, the Manager or the Registrar or each of their duly appointed agents shall be under any liability therefor or thereby.

The Trust Deed includes indemnities given in favour of the Trustee and the Manager and any indemnity expressly given to the Trustee or to the Manager or each of their duly appointed agents in the Trust Deed is in addition to and without prejudice to any indemnity allowed by law.

Nothing in any of the provisions of the Trust Deed shall in any case in which the Trustee, the Manager or each of their duly appointed agents (as the case may be) have failed to show the degree of diligence and care required of them by the provisions of the Trust Deed, exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their



duties.

The Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system, broker, financial institution, custodian, sub-custodian or other person with which the investments of the Fund are or may be deposited.

None of the Trustee or any of its duly appointed agents shall be under any liability on account of anything done or suffered by the Trustee or its appointed agents in good faith in accordance with or in pursuance of any request, instruction or advice of the Manager. Whenever pursuant to any provision of the Trust Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee, the Trustee or its appointed agent may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any one person whose signature the Trustee or its duly appointed agents is for the time being authorised by the Manager to accept.

The Trustee or its duly appointed agents shall not be under any liability on account of anything done or suffered by the Trustee or its appointed agents in good faith in accordance with or in pursuance of any application for or request for realisation of Units made by telex, facsimile or telephone and allowed by the Manager including but not limited to any loss arising from the non-receipt of any application for or request for realisation of Units sent by facsimile notwithstanding the fact that a facsimile transmission report produced by the originator of such transmission discloses that the transmission was sent.

In the absence of fraud or negligence by the Manager, the Trustee or each of their duly appointed agents respectively, they shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the provisions of the Trust Deed and in particular, but without prejudice to the generality of the foregoing, neither the Manager nor the Trustee nor any of each of their appointed agents shall, in ascertaining the value of any quoted security, be under any liability by reason of the fact that a price reasonably believed to be the official closing price or last known transacted price for the time being may be found not to be such.

None of the Trustee, the Manager or the Registrar or each of their duly appointed agents shall be under any liability except such liability as may be expressly imposed by the Trust Deed nor shall any of them (save as herein otherwise appears) be liable for any act or omission of the other of them.

Subject as provided in the Trust Deed, the Manager and the Trustee and any of their duly appointed agents shall be entitled for the purpose of indemnity against any action, costs, claims, damages, expenses or demands to which it may be put as the Manager or the Trustee or its appointed agents and to have recourse to the assets of the Fund in respect of which such action, costs, claims, damages, expenses or demands have been made or arose out of or, where such action, costs, claims, damages, expenses or demands relate to the Fund as a whole or any part thereof or in relation to any transaction entered into by the Manager or the Trustee with any third parties or any action taken by the Manager or the Trustee, in connection with or for or on behalf of the Fund, provided that such transaction entered into or action taken by the Manager or the Trustee is in accordance with the terms of this Prospectus and the Trust Deed.

The Trustee and its duly appointed agents shall not be responsible for verifying or checking any valuation of the Fund or any calculation of the prices at which Units are to be issued or realised except as specifically provided in the Trust Deed.

In no event shall the Trustee or any of its duly appointed agents be bound to make any payment except out of the funds held by it for that purpose under the provisions of the Trust Deed.

For the avoidance of doubt, any reference to the Trustee herein shall be construed to mean the Trustee in its own capacity and, where appropriate, in its capacity as the Registrar of the Fund.

The Trustee shall be entitled, in the absence of manifest error, to rely upon the Register as conclusive evidence of the matters contained in the Register.

## **EXCHANGE CLEARANCE AND SETTLEMENT**

For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

Units are traded on the SGX-ST under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST are 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 account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

### **Clearance and Settlement under the Depository System**

The Units will be registered in the name of CDP or its nominee and held by CDP 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 Unitholders in respect of the number of Units credited to their respective Securities Accounts. Investors 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 (investors should refer to the CDP's website at <https://www1.cdp.sgx.com/sgx-cdp-web/login> for the latest applicable transfer fee). 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 can be 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 CDP will be implemented.

Trading of the Units on the SGX-ST is carried out in US dollars and Singapore dollars, 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 Business Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. An investor 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.

### **Clearing Fees**

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer, deposit fee and unit withdrawal fee may be subject to the prevailing GST.

## TERMINATION

The Fund is of indeterminate duration and shall continue until terminated in the manner provided in the Trust Deed.

Under the Trust Deed, the Fund may be terminated by the Trustee if the Manager goes into liquidation or, if in the opinion of the Trustee, the Manager has ceased to carry on business or has, to the prejudice of the Unitholders of the Fund, failed to comply with any provision of the Trust Deed or, the Trustee is unable to find an acceptable person to replace the Manager who has been removed or, any law is passed which renders it illegal, impracticable or inadvisable in the opinion of the Trustee to continue the Fund or, if within a reasonable period of the Trustee notifying the Manager of its intention to retire, no new Trustee has been appointed or if the Authority directs the termination of the Fund.

The Manager may terminate the Fund if:

- (a) after 3 years from the date of the Trust Deed, the aggregate Net Asset Value of Units outstanding in the Fund is less than US\$40 million; or
- (b) any law is passed which renders it illegal, impracticable or inadvisable in the opinion of the Manager to continue the Fund; or
- (c) in the case where the Manager decides to retire, either the Trustee shall be unable to find a person acceptable to the Authority to act as the new manager after the expiration of three months from the Manager giving the Trustee notice of its intention to retire pursuant to the Trust Deed, or the person nominated by the Trustee as the new manager shall fail to be approved by an extraordinary resolution pursuant to the Trust Deed; or
- (d) the Index is no longer available for benchmarking or the Index Licence Agreement is terminated and no suitable replacement index is available to the Fund; or
- (e) the Units are no longer listed on the SGX-ST or any other Recognised Stock Exchange; or
- (f) the CDP or any other central depository system for the holding and transfer of book-entry securities is no longer able to act as the depository for the Units listed on the SGX-ST or any other Recognised Stock Exchange (as the case may be); or
- (g) the Authority revokes or withdraws the authorisation of the Fund under the Securities and Futures Act; or
- (h) the Manager is unable to find an acceptable person to act as a Participating Dealer; or
- (i) the Authority directs the termination of the Fund.

The Manager may, in its absolute discretion, terminate the Fund under any of the circumstances set out above, by giving reasonable notice in writing to the Trustee.

Further, the Unitholders may at any time authorise termination of the Fund by extraordinary resolution passed at a duly convened Unitholders' meeting.

Any notification to Unitholders where the Fund is to be terminated shall be given upon not less than 3 months' notice prior to termination, except where the Manager or the Trustee may forthwith terminate the Fund as set out in the Trust Deed. Any such notice to be given to Unitholders in relation to the termination of the Fund will also be published on the Manager's website.

In the event of termination, the Fund shall have no recourse against any member of the State Street Bank and Trust Company group, or any employee of any member of the State Street Bank and Trust Company group, for any losses or damages it may suffer as a result of the liquidation.

In the event of termination of the Fund, the Manager shall provide such information, documents and assistance as may be necessary or reasonably requested by the Trustee to enable the Trustee to fulfil its duties and obligations pursuant to the termination of the Fund.

Upon the Fund being terminated, subject to authorisations or directions (if any) given to it by the Unitholders by extraordinary resolution:-

The Manager shall arrange the sale of all investments then comprised in the Fund and such sale shall be carried out and completed in such manner and within such period after the termination of the Fund as the Manager shall consider advisable. The Trustee shall from time to time distribute to the Unitholders rateably in accordance with the number of Units held by them respectively all net cash proceeds derived from the realisation of the investments comprised in the Fund and available for the purposes of such distribution except that in the event that circumstances exist as a result of which, in the sole opinion of the Manager notified to the Trustee, it is not reasonably practicable to realise all the investments comprised in the Fund, the Trustee shall distribute to the Unitholders rateably in accordance with the number of Units held by them respectively the investments available in specie at a valuation determined by the Trustee (provided that no Unitholder will be required to accept the distribution to him of any assets in specie without his written consent), and subject to the following:

- All payments in respect of such distributions shall be made in accordance with the relevant provisions of the Trust Deed. Every such distribution shall be made only upon delivery to the Trustee of such form of request for payment as the Trustee shall in its absolute discretion require.
- The Trustee shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being comprised in the Fund the amount of which is insufficient to pay one US dollar in respect of each Unit.
- The Trustee shall be entitled to retain out of any monies comprised in the Fund such sum as it shall determine to be full provision for all costs, charges, expenses, claims, demands, actions and proceedings incurred, made or instituted against or apprehended by the Trustee in connection with or arising out of the Fund or the termination thereof and shall, out of the monies so retained, be indemnified and saved harmless against any such costs, charges, expenses, claims, demands, actions and proceedings.

In the event that the Fund is terminated by the Trustee or the Manager in accordance with the terms of this Prospectus or the Trust Deed, notice of such termination will be announced on the SGXNET and the Manager shall notify the Authority of such termination at least 7 days before the effective date of the termination of the Fund.

## PERFORMANCE AND BENCHMARK OF THE FUND

Performance of the Fund and its benchmark (which is the Index) as of 31 July 2019 (Source: Principal(S)) are as follows:

<b>Cumulative return</b>					
<b>Fund/ Benchmark</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since inception</b>
Principal FTSE ASEAN 40	6.64%	28.89%	9.47%	89.79%	133.89%
FTSE/ASEAN 40 Index	7.64%	32.30%	14.54%	91.12%	123.93%

<b>Average annual compounded return</b>					
<b>Fund/ Benchmark</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since inception</b>
Principal FTSE ASEAN 40	6.64%	8.82%	1.83%	6.62%	6.83%
FTSE/ASEAN 40 Index	7.64%	9.76%	2.75%	6.69%	6.47%

### Notes:

- The performance of the Fund is calculated in USD terms on a single pricing basis (NAV-NAV), taking into account any subscription fee and realisation fee, and on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.
- Investors should note that the past performance of the Fund and of the Manager is not indicative of future performance.

## EXPENSE RATIO

The expense ratio<sup>6</sup> of the Fund (calculated in accordance with Investment Management Association of Singapore's ("IMAS") revised guidelines on the disclosure of expense ratios and based on figures in the Fund's latest audited accounts) for the financial period ended 31 December 2018 was 0.79%. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to Unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

<sup>6</sup> The following expenses (where applicable), as set out in the IMAS guidelines (as may be updated from time to time) are excluded from the calculation of the expense ratio:

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

## TURNOVER RATIO

The turnover ratio of the Fund (based on figures in the Fund's latest audited accounts) over the financial period ended 31 December 2018 was 9.56%. The turnover ratio is calculated in accordance with the formula stated in the Code.<sup>7</sup> In accordance with the Trust Deed, units are issued through creation of an Index Basket. For each creation application (comprising multiples of 50,000 units), the Fund receives an Index Basket consisting of constituent shares plus or minus a cash payment as determined by the Manager on a daily basis.

## TAXATION

THE DISCUSSION BELOW IS A SUMMARY OF CERTAIN SINGAPORE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSAL/REDEMPTION OF UNITS IN THE FUND. THE SUMMARY IS OF A GENERAL NATURE ONLY AND IS BASED ON THE EXISTING PROVISIONS OF THE RELEVANT TAX LAW, THE REGULATIONS THEREUNDER, THE CIRCULARS ISSUED BY THE AUTHORITY AND PRACTICES IN EFFECT AS AT THE DATE HEREOF, ALL OF WHICH ARE SUBJECT TO CHANGE AND DIFFERING INTERPRETATIONS, EITHER ON A PROSPECTIVE OR RETROACTIVE BASIS.

THE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL THE TAX CONSIDERATIONS RELATING TO A PARTICIPATION IN THE FUND. PROSPECTIVE INVESTORS AND UNITHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS, INCLUDING THE TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAX JURISDICTION, WHICH MAY BE APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES. THE SUMMARY DOES NOT CONSTITUTE TAX OR LEGAL ADVICE.

It is emphasised that neither the Trustee nor the Manager or any persons involved in the issuance of the Units accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal/redemption of the Units.

### (I) General Singapore taxation

#### A. Income Tax

Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received in Singapore, subject to certain exceptions. Currently, the corporate income tax rate in Singapore is 17%.

#### B. Gains on disposal of investments

Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. The determination of whether the gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

Generally, gains on disposal of investments are considered income in nature if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

#### C. Taxation of the Fund

As the acquisition and disposal of assets of the Fund are managed in Singapore by the Manager, the gains earned by the Fund may be considered to be sourced in Singapore. Singapore-sourced income derived by the Fund and foreign-sourced income received in Singapore by the Fund should be subject to Singapore income tax at 17%, unless the income is tax deferred or exempted from Singapore tax at the Fund level under a tax incentive.

---

<sup>7</sup> The turnover ratio of the Fund is calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average Net Asset Value of the Fund.

## **(II) Taxation of Designated Unit Trust and Singapore Taxation on Unitholders**

The Fund was awarded the Designated Unit Trust (“DUT”) status by the Inland Revenue Authority of Singapore (“IRAS”) under section 35(14) of the Income Tax Act, Chapter 134 (revised 2014) of Singapore (the “Income Tax Act” or “ITA”), on 27 March 2007. With effect from 1 September 2014, the DUT scheme is administered on a self-assessment basis. The Trustee may elect to claim the DUT tax deferral benefits for the Fund for a year of assessment (“YA”) by submitting the annual declaration form together with the tax return (Form UT) by the statutory deadline or within such extended time granted by the IRAS, provided that the Fund meets all of the DUT conditions throughout the basis period, including the following:

- (i) the Fund is a collective investment scheme that is authorised under section 286 of the Securities and Futures Act and the units are open to the public for subscription;
- (ii) the Fund is not a real estate investment trust or a property trust that invests directly in immovable properties in Singapore;
- (iii) the Trustee of the Fund is tax resident in Singapore; and
- (iv) the Manager holds a capital markets services licence for fund management under the Securities and Futures Act or is exempt from the requirement to hold such a licence under that act, and the Fund is managed by the Manager in Singapore.

The Manager and the Trustee have conducted the affairs of the Fund in such a manner that it fulfils the DUT conditions for the relevant basis periods up to 31 May 2015 prior to the relinquishment of the Fund’s DUT status.

The key aspects relating to the taxation of a DUT are summarised below.

### **A. Trust level**

Income of a trust is generally taxable in the hands of its trustee. If the trust is eligible for the DUT tax deferral benefits and the trustee so elects, qualifying income (“DUT Tax Deferral Income”) does not form part of the statutory income of the Fund and is thus not taxable at the Fund’s level.

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

### **B. Unitholders’ level – Distributions**

The tax treatment of distributions out of a DUT in the hands of the Unitholders is as follows:

- (a) Any distribution received by an individual (whether resident in Singapore or not), is exempt from Singapore income tax. The 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.
- (b) Any distribution received by a foreign investor which has been made out of DUT Tax Deferral Income is exempt from Singapore income tax.

A foreign investor is:-

- (i) in relation to an individual, an individual who is not resident in Singapore;
- (ii) in relation to a company, a company which is neither resident in Singapore nor carrying on business through a permanent establishment in Singapore, and not less than 80% of the total number of the issued shares are beneficially owned, directly or indirectly, by persons who are not citizens of Singapore and not resident in Singapore; and
- (iii) in relation to a trust fund, a trust fund where at least 80% of the value of the fund is beneficially held, directly or indirectly, by foreign investors referred to in paragraph (i) or (ii) above and unless waived by the Minister or such person as he may appoint, where:-

- (A) the trust fund is created outside Singapore; and
- (B) the trustees of the trust fund are neither citizens of Singapore nor resident in Singapore, nor do they carry out their duties through a permanent establishment in Singapore.
- (c) Distributions (made out of DUT Tax Deferral Income) to other Unitholders (i.e. those who are neither individuals nor foreign investors as described above) are deemed to be income of the Unitholders and generally subject to tax in their hands.
- (d) Distributions from income that are subject to tax at the trust level (i.e. not tax deferred at the DUT level) will not be subject to further Singapore income tax in the hands of the Unitholders.
- (e) Distributions paid by the Fund out of non-DUT Tax Deferral Income that is exempt from Singapore income tax (e.g., Singapore one-tier dividend) may be tax-exempt in the hands of the Unitholders.

**(III) DUT Status Relinquished from Date of Approval of the Fund's Enhanced-Tier Fund Tax Incentive and Singapore Taxation to Unitholders in respect of the DUT Balances**

The Fund has been approved by the Authority under section 13X of the Income Tax Act and the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (collectively referred to as the “**ETF Tax Exemption Scheme**”) with effect from 1 June 2015. With this, the Fund has relinquished its DUT status under section 35(14) of the Income Tax Act with effect from 1 June 2015 (i.e., the last day of the Fund's DUT status is 31 May 2015 inclusive).

The Fund has not completely distributed its DUT Tax Deferral Income as at 31 May 2015 (being the last day that the Fund elects for DUT tax deferral benefits). The Income Tax Act is silent on the treatment of such undistributed income. The Fund has written to the IRAS to confirm the treatment that:

- (i) With effect from 1 June 2015, distributions that are made to Unitholders will be taken to be first made from the income and gains tax deferred at the Fund level while it enjoyed the DUT status (i.e., DUT Tax Deferral Income); and
- (ii) Income derived by the Fund during the period when it is approved as an Enhanced Tier Fund (“**ETF Period**”, i.e., with effect from 1 June 2015) will only be distributed to Unitholders after the DUT Tax Deferral Income has been completely distributed.

Based on the IRAS letter dated 23 September 2015 to the Fund, the IRAS has accepted the Fund's approach on the issuance of Statement of Distribution to the IRAS and the Singapore tax voucher to Unitholders until the Fund's DUT Tax Deferral Income has been completely distributed. Please refer to Part (II) (B) above for the tax treatment of distributions out of DUT Tax Deferral Income in the hands of Unitholders.

**(IV) Taxation and Reporting Obligations of the Fund during ETF period and Taxation of ETF distributions to Unitholders**

**A. The ETF Tax Exemption Scheme**

The Fund has been approved by the Authority for the ETF Tax Exemption Scheme under section 13X of the Income Tax Act with effect from 1 June 2015, subject to the following conditions:

- (i) The Fund must be managed or advised directly throughout each basis period relating to any year of assessment by a fund management company (“**FMC**”) in Singapore, where the FMC:
  - a) must hold a capital markets services licence for the regulated activity of fund management under the Securities and Futures Act or is exempt from the requirement to hold such a licence under the Securities and Futures Act, or as otherwise approved by the Minister or such other persons as he may appoint; and



- b) must employ at least three investment professionals (“investment professionals” refers to persons who are earning more than S\$3,500 per month and must be engaging substantially in the qualifying activity, e.g., portfolio managers, research analysts and traders);
- (ii) The Fund must incur at least S\$200,000 local business spending (according to accounting principles and includes, but not limited to, the following expenses paid to Singapore entities: remuneration, management fees, and other operating costs) in Singapore in each basis period relating to any year of assessment;
- (iii) The Fund must not change its investment objective/strategy after being approved for the ETF Tax Exemption Scheme<sup>8</sup>;
- (iv) The Fund does not concurrently enjoy other tax incentive schemes; and
- (v) The Fund meets such other conditions in the letter of approval issued by the Authority.

Under the ETF Tax Exemption Scheme, provided the above conditions have been met throughout the basis period relating to a year of assessment, the Fund will enjoy tax exemption on “specified income” that it derived from “designated investments” during the basis period. In the event that the Fund fails to satisfy any of the above specific conditions during a basis period, it will not enjoy the tax exemption on specified income derived from designated investments for that basis period. The Fund can, however, enjoy the tax exemption in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

The ETF Tax Exemption Scheme will expire after 31 December 2024. The Government will review the ETF Tax Exemption Scheme prior to the expiry to assess its relevance and determine whether it will be discontinued, extended and/or refined. Notwithstanding this, the Fund can continue to enjoy the tax exemption after 31 December 2024, subject to it meeting the ETF Tax Exemption Scheme’s conditions.

“Designated investments” in respect of “specified income” derived on or after 19 February 2019<sup>9</sup>, are defined to mean the following:

- (a) stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (b) debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities<sup>10</sup> issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (c) units in real estate investment trusts and exchange traded funds constituted in the form of trusts and other securities (not already covered in other sub-paragraphs of the designated investments list) but excludes any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (d) futures contracts held in any futures exchanges;

---

<sup>8</sup> Subject to the Authority’s review and approval, the Fund can request for a change in investment objective / strategy. The Fund should give sufficient notice to the Authority of the change in investment objective / strategy before the effective date of the change, and provided the ETF Tax Exemption Scheme is still open for application as at the date of the change. The Fund should also provide background if the change in investment objective/strategy is for bona fide commercial purposes.

<sup>9</sup> The Authority has issued Circular No.: FDD Cir 09/2019 on 7 June 2019. Note that these changes have not been legislated at this juncture.

<sup>10</sup> “Non-qualifying debt securities” will refer to debt securities that do not enjoy the “Qualifying Debt Securities” tax status as defined under section 13(16) of the ITA.

- (e) immovable property situated outside Singapore;
- (f) deposits placed with any financial institution;
- (g) foreign exchange transactions;
- (h) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives;
- (i) units in any unit trust, except:
  - (i) a unit trust that invests in Singapore immovable properties;
  - (ii) a unit trust that hold stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development); and
  - (iii) a unit trust that grant loans that are excluded from (j);
- (j) loans<sup>11</sup>, except:
  - (i) loans granted to any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
  - (ii) loans to finance / re-finance the acquisition of Singapore immovable properties;
  - (iii) loans that are used to acquire stocks, shares, debt, or any other securities, that are issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (k) commodity derivatives<sup>12</sup>;
- (l) physical commodities if –
  - (i) the trading of those physical commodities in the basis period for any YA is done in connection with and is incidental to the trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and
  - (ii) the trade volume of those physical commodities traded in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded in that basis period;
- (m) units in a registered business trust;
- (n) emission derivatives<sup>13</sup> and emission allowances;
- (o) liquidation claims;
- (p) structured products<sup>14</sup>;

---

<sup>11</sup> This includes secondary loans, credit facilities and advances.

<sup>12</sup> Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

<sup>13</sup> Emission derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

<sup>14</sup> As defined in section 13(16) of the ITA, a “structured product” means a sum of money paid on terms under which —  
 (a) it may not be repaid in full and the return from which is, partly or wholly, determined by the performance of any embedded derivative instrument; and

- (q) Islamic financial products<sup>15</sup> and investments in prescribed Islamic financing arrangements under section 34B of the ITA that are commercial equivalents of any of the other designated investments specified in this list;
- (r) private trusts that invest wholly in designated investments;
- (s) freight derivatives<sup>16</sup>;
- (t) publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore<sup>17</sup>;
- (u) interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
- (v) bankers' acceptances issued by financial institutions;
- (w) accounts receivables and letters of credits; and
- (x) interests in Tokumei Kumiai (TK)<sup>18</sup>.

Any income or gains derived on or after 19 February 2019 from Designated Investments specified above will be regarded as "Specified Income" except for the following<sup>19</sup>:

- (a) distributions made by a trustee of a real estate investment trust<sup>20</sup> that is listed on the Singapore Exchange;
- (b) distributions made by a trustee of a trust who is a resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under sections 13CA, 13G, 13O or 13X of the ITA;
- (c) income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

Unless otherwise exempt from tax, any income or gains derived by the Fund that do not fall within the above list of "specified income" from "designated investments" will generally be subject to tax at the prevailing corporate tax rate (currently, 17%).

---

(b) its repayment may be in money or money's worth, but does not include any sum paid in respect of any debt securities, units of a real estate investment trust, units of a unit trust, loan, stand-alone financial derivative or such other financial product as the Minister may by regulations prescribe.

<sup>15</sup> Recognised by a Shariah council, whether in Singapore or overseas.

<sup>16</sup> Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

<sup>17</sup> The allocation of profits from such partnerships to the fund vehicle will be considered as specified income. However, the fund vehicle would not be entitled to a refund of any taxes that was imposed on the partnership profits. This would relate to the publicly-traded partnerships' profits which are derived or deemed to be derived from Singapore, and examples of such income are payments that fall within section 12(6) and (7) of the ITA.

<sup>18</sup> A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit / loss of a specified business conducted by the TK operator (the TK business).

<sup>19</sup> The Authority has issued Circular No.: FDD Cir 09/2019 on 7 June 2019. Note that these changes have not been legislated at this juncture.

<sup>20</sup> As defined in section 43(10) of the ITA, which is a trust constituted as a collective investment scheme authorised under section 286 of the Securities and Futures Act and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

## **B. Singapore Taxation to Unitholders on the Fund's Distributions from ETF Period**

Distributions out of income derived by the Fund during the ETF period should not be subject to Singapore withholding tax or Singapore income tax in the hands of the Unitholders.

## **C. Reporting Obligations**

Under the ETF Tax Exemption Scheme, the Fund (i.e. the approved person) will be required to submit annual tax returns to the IRAS, as well as annual declarations to the Authority. The annual declaration should be submitted within four months from the end of the Fund's financial year end.

## **D. Unitholders' level – Disposal of Units or dissolution of Fund**

There is no capital gains tax in Singapore. Accordingly, any gains derived from a sale of the Units which are in the nature of capital will not be taxable in Singapore. However, any gains derived by any person from the sale of Units from any trade, business, profession or vocation carried on by that person, may be taxable if they are sourced in Singapore, or received in Singapore, as such gains are generally considered to be revenue in nature.

As the tax treatment depends on the particular situation of the Unitholders, Unitholders should consult their own tax advisers with regard to the tax consequences arising from disposal of the Units or dissolution of the Fund.

## **E. Trust level – Singapore Goods and Services Tax**

The Fund may incur Singapore Goods and Services Tax (“**GST**”) on its expenses. Should there be GST incurred, the Fund may be allowed to claim the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement. The amount of GST recoverable is based on a fixed recovery rate which is revised annually. The fixed recovery rate for the calendar year 2019 is 87%.

However, should the Fund not meet the qualifying conditions, the GST incurred (if any) will become an additional cost to the Fund.

The Manager and the Trustee will endeavour to conduct the affairs of the Fund in such a manner that it fulfils the ETF Tax Exemption Scheme conditions for the Fund to qualify for the GST remission.

### *GST registration liability arising from the implementation of reverse charge*

Reverse charge will be implemented for business to business (B2B) services with effect from 1 January 2020.

The reverse charge to be implemented will affect businesses that are unable to claim its input tax in full. As the Fund claims its GST based on a fixed recovery rate under the GST remission (i.e. it is not able to fully claim its GST), it will need to consider the reverse charge requirements including the requirement to be registered for GST if the value of imported services (i.e. services procured from overseas service providers) exceeds the GST registration threshold. If the Fund is required to be registered for GST due to the requirements under the reverse charge regime, it will need to account for GST on its imported services to the Singapore tax authority.

In such a case, the GST accounted on imported services should similarly be claimable as input tax at the fixed percentage rate under the GST remission if the Fund meets the qualifying conditions. A portion of the GST accounted as reverse charge will become an additional cost as the input tax is not claimable in full.

The Manager will endeavour to conduct the affairs of the Fund in such a way that it will satisfy the qualifying conditions for the ETF Tax Exemption Scheme. Notwithstanding the foregoing, there is no assurance that the Manager will, on an on-going basis, be able to ensure that the Fund will always meet all the qualifying conditions for the ETF Tax Exemption Scheme. Upon any such disqualification, the Fund may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate

tax rate. The Fund can however, enjoy the tax exemption under the ETF Tax Exemption Scheme in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

## **MISCELLANEOUS INFORMATION**

### **Inspection of Documents**

Copies of the following documents are available for inspection free of charge at the offices of the Manager during normal business hours:-

- the Trust Deed;
- the CDP Agreement;
- a sample Participation Agreement; and
- the most recent annual report and accounts of the Fund and the most recent semi-annual report and unaudited semi-annual accounts of the Fund.

### **Online publication of dealing prices**

The Net Asset Value per Unit of the Fund is published on the Manager's website at <http://www.cimbetf.com> at the end of each Business Day. Publication of the indicative Net Asset Value per Unit of the Fund will usually be quoted in US dollars.

### **Real Time Index Information**

In addition, the real time Index level is published on Bloomberg (Ticker: ASEAN40 <Index>) and Reuters (Ticker: <FTASEAN40>) updated throughout the day.

### **Information on the Internet**

The Manager will publish information with respect to the Fund on the Manager's website at <http://www.cimbetf.com> including:

- this Prospectus and the Product Highlights Sheet (as may be updated, replaced or supplemented from time to time);
- the latest available annual and semi-annual financial reports of the Fund;
- any public announcements made by the Fund, including information with regard to the Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading, changes in the Participating Dealer(s); and
- monthly holdings, the closing Net Asset Value and Net Asset Value per Unit and monthly fund performance information.

Material information on the underlying stocks of the Index will be available on the website of the Index Provider at [www.ftserussell.com](http://www.ftserussell.com).

## Anti-Money Laundering Regulations

As part of the Manager's and the Trustee's responsibility for the prevention of money laundering, tax evasion and countering the financing of terrorism to comply with all applicable laws, regulations, notices, codes and guidelines to which the Manager, the Trustee or the Fund is subject, the Manager, the Registrar or the Trustee may require a detailed verification of an investor's identity, tax status and the source of payment of any subscriptions.

## US Tax Reporting Obligations under FATCA

The provisions of the Foreign Account Tax Compliance Act ("**FATCA**") were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. It includes provisions under which a fund manager of a foreign financial institution ("**FFI**") may be required to report to the US Internal Revenue Service ("**IRS**") certain information about Units held by US persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. A 30% withholding tax may apply pursuant to the FATCA provisions on certain US-source payments (and other payments relating to investments in certain US securities) made to the FFI, unless it has in effect a valid agreement with the Secretary of the US Treasury, or are subject to local FATCA disclosure obligations enacted to give effect to an Intergovernmental Agreement between the FFI's jurisdiction of incorporation / establishment / residence and the U.S. These agreements obligate a FFI classified as a 'Reporting Financial Institution' to obtain and verify certain information from investors and comply with annual reporting requirements with respect to certain direct or indirect US investors as well as satisfy other requirements. The provisions of FATCA are generally designed to require the reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the IRS.

Singapore has concluded a Model I Intergovernmental Agreement (the "**IGA**") with the U.S. government. Under the Singapore-US IGA, entities classified as 'Reporting Singapore-based Financial Institutions' are required to obtain certain information from investors and report requisite account information of investors who are Specified US persons or where the controlling person is a Specified US person to the IRAS.

The Fund may accordingly be required to comply with the provisions of FATCA under the terms of the Singapore-US IGA and the Singapore legislation implementing the IGA.

In order to comply with its FATCA obligations, the Fund, the Trustee, or the Manager may be required to obtain certain information from its investors so as to ascertain their US tax status. If the investor is a Specified US person under the provisions of FATCA, US owned non-US entity, non-participating FFI or does not provide the requisite documentation, the Fund will need to report information on these investors to the IRAS, in accordance with applicable law and regulations, which will in turn report this to the IRS. Provided that the Fund acts in accordance with these provisions, it will not be subject to withholding tax under FATCA.

## Common Reporting Standard and Automatic Exchange of Information

In addition to FATCA, Singapore implemented the Common Reporting Standard ("**CRS**"), also known as the Standard for Automatic Exchange for Financial Account Information in Tax Matters ("**AEOI**"), an internationally agreed standard developed by the Organisation for Economic Co-operation and Development ("**OECD**") to facilitate and standardise the exchange of financial account information between various countries based on the tax residency of the account holder.

On 2 December 2016, the Singapore authorities gazetted the final regulations on CRS to implement CRS with effect from 1 January 2017 (the "**Singapore CRS Regulations**"). Singapore has commenced exchange of information under the CRS in 2018. Under the Singapore CRS Regulations, entities classified as Reporting Singaporean Financial Institutions ("**SGFI**") (as defined in the Singapore CRS Regulations) are required to identify financial asset holders and establish their residency for tax purposes. SGFIs will then report the

prescribed account information of the reportable financial asset holders to the Singapore tax authorities on a yearly basis, which will thereafter automatically exchange this information to competent foreign tax authorities with which Singapore has a tax information sharing agreement (the “**CRS Reportable Jurisdictions**”) on a yearly basis.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- a) the Fund (or any person authorised by it such as the Manager or Accounting and Valuation Agent) may be required to disclose to the IRAS certain confidential information in relation to the investor, including but not limited to the investor’s name, address, tax identification number (if any) and certain information relating to the investor’s investment;
- b) the IRAS will automatically exchange such information received as outlined above with the authorities of CRS Reportable Jurisdictions;
- c) the authorities may use such information received for the purpose of administering its tax legislation;
- d) the Fund (or any person authorised by it such as the Manager and the Trustee) may require the investor to provide additional information and/or documentation which the Fund may be required to disclose to the IRAS; and
- e) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to penalties under the relevant CRS regulations, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

Investors should consult their professional advisors to determine their own obligation under relevant CRS Regulations as well as the possible tax and other consequences with respect to the implementation of the CRS in Singapore and the jurisdictions which he/she has tax residency.

### **Liquidity Risk Management**

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

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

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

- (a) The Fund may, subject to the borrowing restrictions in the Investment and Borrowing Guidelines and the provisions of the Trust Deed, borrow up to 10% of its latest available Net Asset Value (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month, provided always and subject to the borrowing restrictions in the Code; and
- (b) Subject to the provisions of the Code, the Manager and/or the Trustee may, at its discretion, at any time after giving notice to each other and the Authority and where practicable following consultation with the relevant Participating Dealers, suspend the right of Participating Dealers to require the

redemption of Units under Clause 7 of the Trust Deed and/or delay the payment of any moneys and transfer of any Securities in accordance with Clause 7.14 of the Trust Deed.

### **Queries and Complaints**

Investors may call the Manager at +65 6390 0800 or email the Manager at [etf@cimb.com](mailto:etf@cimb.com) to raise any queries or make complaints.

*The information presented in Appendices I and II have been extracted from publicly available information that have not been prepared or independently verified by the Manager, the Trustee or advisers in connection with the offering and listing of Units and none of them makes any representations as to or takes any responsibility for the accuracy, adequacy, timeliness or completeness of such information contained in the Appendices. Any liability for errors or omissions in the Appendices, or for any action taken in reliance on the information contained therein is hereby expressly disclaimed. No warranty of any kind, implied, express or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability, satisfactory quality or fitness for a particular purpose, is given in conjunction with the Appendices or any information contained therein.*



## **APPENDIX I – CONSTITUENT WEIGHTINGS OF THE INDEX**

As at 19 August 2019, the constituent stocks of the Index are:-

<b>No.</b>	<b>Index Security</b>	<b>Country</b>	<b>Weighting</b>
1	DBS Group Holdings	Singapore	8.33%
2	Oversea Chinese Banking Corporation	Singapore	6.66%
3	United Overseas Bank	Singapore	6.04%
4	Bank Central Asia	Indonesia	5.27%
5	PTT	Thailand	5.19%
6	Singapore Telecommunications	Singapore	4.44%
7	Bank Rakyat Indonesia	Indonesia	4.02%
8	Public Bank	Malaysia	3.98%
9	CP ALL	Thailand	3.68%
10	Telekomunikasi Indonesia	Indonesia	3.66%
11	Tenaga Nasional	Malaysia	3.31%
12	Malayan Banking	Malaysia	3.11%
13	Siam Cement	Thailand	2.92%
14	Kasikornbank	Thailand	2.72%
15	Airports of Thailand	Thailand	2.57%
16	Siam Commercial Bank	Thailand	2.57%
17	Bank Mandiri	Indonesia	2.47%
18	Astra International	Indonesia	2.36%
19	CIMB Group Holdings	Malaysia	2.14%
20	Advanced Information Service	Thailand	2.04%
21	Bangkok Dusit Medical Services	Thailand	1.70%
22	Ayala Land	Philippines	1.69%
23	Capitaland	Singapore	1.62%

24	SM Prime Holdings	Philippines	1.55%
25	PTT Exploration & Production	Thailand	1.43%
26	Wilmar International	Singapore	1.39%
27	Axiata Group	Malaysia	1.35%
28	Petronas Chemical Group	Malaysia	1.28%
29	Ayala Corporation	Philippines	1.16%
30	Digi	Malaysia	1.13%
31	Bank Negara Indonesia	Indonesia	1.06%
32	IHH Healthcare	Malaysia	1.05%
33	Sime Darby Plantation	Malaysia	1.04%
34	Unilever Indonesia	Indonesia	0.93%
35	PTT Global Chemical	Thailand	0.92%
36	Singapore Airlines	Singapore	0.85%
37	Bangkok Bank	Thailand	0.69%
38	Gudang Garam	Indonesia	0.64%
39	Jardine Cycle & Carriage	Singapore	0.56%
40	PT Hanjaya Mandala Sampoerna	Indonesia	0.48%

Source: FTSE Russell

## **APPENDIX II – THE FTSE/ASEAN 40 INDEX**

### **INTRODUCTION**

The Index is designed to represent the performance of the largest companies in the ASEAN region's markets by measuring the eligible securities listed on the stock exchanges of Indonesia, Malaysia, Philippines, Singapore and Thailand.

The Index is a tradable index that is suitable for the creation of Exchange Tradable Funds (ETFs), derivatives and other structured products.

The Index is based on the FTSE All-World Index, part of the internationally recognized FTSE Global Equity Index Series (GEIS). The FTSE Global Equity Index Series is the index used by major plan sponsors as benchmarks for their assets, and so is recognised widely by investors as a global standard. This is an excellent starting point from which to derive the Index in order to make it compliant with the rest of the international community.

The Index is calculated in real-time and published on an intra-second streaming basis during the hours of calculation. The base currency for the Index is US dollars.

### **ELIGIBLE SECURITIES**

#### **FTSE/ASEAN 40 Index**

The Index consists of the largest 40 companies by full market value from the eligible markets that qualify as eligible for inclusion in the Index.

Securities that are members of the FTSE All-World Country Index for either Indonesia, Malaysia, Philippines, Singapore or Thailand are potentially eligible for the Index. At review, all constituents of the Index must be existing or pending constituents to the FTSE All-World ASEAN Index, i.e. the review will take into consideration any constituent changes to the FTSE All-World Index as announced by FTSE Russell and will therefore be conducted before the implementation date of these changes.

Thailand companies that are selected for inclusion in the FTSE/ASEAN 40 Index will be priced off the main board and may therefore have a different line of stock than that is included in the FTSE All-World Index.

Securities are subject to a liquidity screen. Each security must turn over at least 20% of its shares in issue, after adjusting for free float, in the twelve months prior to the review.

Securities which are subject to surveillance by the stock exchanges and have been assigned to any of the following segments will not be eligible for index inclusion. Where an existing constituent is assigned to an ineligible segment it will normally be deleted from the index quarterly, after the close of business on the third Friday of March, June, September and December. The company will only be reconsidered for index inclusion after a period of 12 months from its deletion subject to it no longer being under surveillance. For the purposes of the index eligibility it will be treated as a new issue.

<b>Country</b>	<b>Exchange</b>	<b>Segment</b>
Malaysia	Bursa Malaysia	PN17
Singapore	Singapore Exchange	Watch-list
Thailand	Stock Exchange of Thailand	Companies facing possible delisting according to No. 9(6) of SET's Regulations on Delisting of Securities

Companies assigned a developed market nationality are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.

Existing constituents with a developed market nationality who do not currently meet the above requirement have a 5 year grandfathering period to comply. If subsequently they continue to fail the minimum voting rights requirement they will be removed from FTSE Russell indexes at the September 2022 review.

## **REVIEW OF CONSTITUENTS**

### **General**

The rules for inserting and deleting companies at the annual review are designed to provide stability in the selection of constituents of the Index while ensuring that the Index continues to be representative of the market by including or excluding those companies whose full market capitalisation has risen or fallen significantly.

### **Review Dates**

The Index is reviewed annually in March. The data on which the annual review is undertaken will be from the close of business on the Monday 4 weeks prior to the review effective date. Where all eligible markets are not open on that day, the previous business day on which all eligible markets were open will be used.

Changes arising from the annual review will be implemented after the close of business on the third Friday in March (i.e. effective Monday).

### **Rules for Insertion and Deletion at the Annual Review**

The constituents of the Index are determined by using the following methodology:

- Take a database comprising all eligible securities.
- Remove non-equity investment instruments from the database.
- Rank all remaining securities by full market capitalisation i.e. before the application of any investability weightings.
- Existing constituents which have fallen to 51st position or below will qualify to be removed from the Index at the annual review.
- Non-constituents which have risen to 30th position or above will qualify to be included in the Index at the annual review.

Where a greater number of constituents qualify to be included in the Index than those qualifying to be removed, the lowest ranking constituents presently included in the Index will be removed to ensure that the number of constituents remains constant. Likewise, where a greater number of constituents qualify to be removed from the Index than those qualifying for inclusion, the highest ranking constituents which are presently not in the Index will be included to match the number of constituents being removed at the periodic review.

## **CHANGES TO CONSTITUENT COMPANIES**

### **Removal**

If a constituent ceases to be a constituent of the FTSE Global Equity Index Series, it will be removed from the Index. The removal will be concurrent with its removal from the FTSE Global Equity Index Series. The highest-ranking non-constituent from the eligible universe will become eligible for inclusion into the Index and will be added to the Index at the same time.

### **Additions & New Issues**

If a constituent is added to the relevant FTSE Global Equity Index Series Country Index, it will be considered for eligibility to the Index at the next annual review.

### **Mergers, Restructuring and Complex Takeovers**

If the effect of a merger or takeover is that one constituent is absorbed by another, the resulting company will remain a constituent of the Index and a vacancy will be created. This vacancy will be filled by selecting the largest eligible non-constituent security by full market capitalisation at the time of the event. The removal and replacement of these stocks will be simultaneous.

If a constituent is taken over by an eligible non-constituent, the original constituent will be removed and replaced by the merged entity. In the event that the merged entity is ineligible for the Index, it will be replaced by the largest eligible non-constituent at the time of the event. The removal and replacement of these stocks will be simultaneous.

If a constituent company is split so as to form two or more companies, the two or more companies arising from the split will be eligible for inclusion in the Index if they qualify in all respects. If two or more of the new companies are ineligible then a vacancy(ies) will be created. If two or more companies are eligible, the smallest constituent(s) at the market close on the day of the event will be deleted. The removal and replacement of these stocks will be simultaneous.

If the Index Provider decides to include a new issue as a constituent security other than as part of the normal annual review procedure, this decision must be publicly announced at the earliest practicable time.

If a constituent is suspended from the FTSE Global Equity Index Series, the same treatment will be applied in the Index.

Suspension of dealing rules can be found within the Corporate Actions and Events Guide at [https://research.ftserussell.com/products/downloads/Corporate\\_Actions\\_and\\_Events\\_Guide.pdf](https://research.ftserussell.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf).

## **FOREIGN EXCHANGE RATES**

The foreign exchange rates used in the calculation of the FTSE/ASEAN 40 Index are Reuters' real time spot rates.

The US dollar is the base currency for all index calculations. Non US dollar denominated constituent prices are converted into US dollars in order to calculate the Index.

The foreign exchange rates received from Reuters at 17:00 (Hong Kong time) are the bid rates and are used to calculate the final Index levels. These are termed the "closing foreign exchange rates".

## **FURTHER INFORMATION ON THE FTSE/ASEAN 40 INDEX**

Further information on the FTSE/ASEAN 40 Index is available from FTSE at [https://research.ftserussell.com/products/downloads/FTSE\\_ASEAN\\_40\\_Index\\_Series.pdf](https://research.ftserussell.com/products/downloads/FTSE_ASEAN_40_Index_Series.pdf).

**APPENDIX III – LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS OVER THE LAST 5 YEARS**

<b>Current Directorships</b>	<b>Past Directorships of last 5 Years</b>
<b>Christopher Leow</b>	
Principal Asset Management (S) Pte Ltd	Nil
<b>Alejandro Elias Echegorri Rodriguez</b>	
Principal Asset Management (S) Pte Ltd	Principal Asset Management Berhad
Principal Islamic Asset Management Sdn Bhd	
Principal Asset Management Co., Ltd.	
PT Principal Asset Management	
i-Wealth Advisors Sdn Bhd	
CIMB Wealth Advisors Berhad	
<b>Lum Joy Deng</b>	
Principal Asset Management (S) Pte Ltd	Sunbright Holdings Ltd
Capital Advisors Partners Asia Pte Ltd	
Capital Advisors Partners Asia Sdn Bhd	
CapAsia Islamic Infrastructure Fund (General Partner) Ltd	
CapAsia ASEAN Infrastructure Fund III (General Partner) Ltd	
CIG Berhad	
CIMB Private Equity Advisors Sdn Bhd	
CIMB-MC Capital Ltd	
CMREF 1 Sdn Bhd	
AIGF Advisors Pte Ltd	
AIGF Management Pte Ltd	
Labuan Reinsurance (L) Ltd	
CIMB Asia Security (General Partner) Ltd	
Project Asia City Sdn Bhd	
CIMB Private Equity Sdn Bhd	

Prospectus for the PRINCIPAL FTSE ASEAN 40

Board of Directors of Principal Asset Management (S) Pte Ltd

Signed:



---

**Christopher Leow**  
Director

Signed:

---

**Alejandro Elias Echegorri Rodriguez**  
Director

Signed:

---

**Lum Joy Deng**  
Director



**Prospectus for the PRINCIPAL FTSE ASEAN 40**

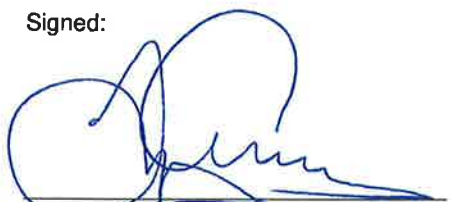
**Board of Directors of Principal Asset Management (S) Pte Ltd**

Signed:

---

**Christopher Leow**  
**Director**

Signed:



**Alejandro Elias Echegorri Rodriguez**  
**Director**

Signed:

---

**Lum Joy Deng**  
**Director**

**Prospectus for the PRINCIPAL FTSE ASEAN 40  
Board of Directors of Principal Asset Management (S) Pte Ltd**

Signed:

---

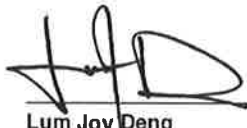
**Christopher Leow  
Director**

Signed:

---

**Alejandro Elias Echegarri Rodriguez  
Director**

Signed:



---

**Lum Joy Deng  
Director**