

**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.**

An application was made to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 18 May 2023 for permission to list and deal in and for quotation of all the units of the CGS Fullgoal Vietnam 30 Sector Cap ETF (the “**Sub-Fund**”) which may be issued from time to time. The Sub-Fund has received a letter of eligibility from the SGX-ST for the listing and quotation of its units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this prospectus (the “**Prospectus**”) or any of the reports referred to in this Prospectus. The Sub-Fund’s eligibility-to-list on the Main Board of the SGX-ST and admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Sub-Fund or of its respective units or of CGS-CIMB Securities (Singapore) Pte. Ltd. (the “**Manager**”). Acceptance of applications for the units of the Sub-Fund is conditional upon the issue of the units of the Sub-Fund and permission being granted to list them on the SGX-ST. In the event that such permission is not granted, the subscription amounts received will be returned to the investors (without any interest).

**See “Risk Factors” under paragraphs 6 and 7 of this Prospectus and see “Specific Risk Factors” under the relevant Appendix of each sub-fund of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the sub-fund(s) of CGS SG ETF Series I (the “Sub-Fund(s)”).**

**CGS SG ETF SERIES I**

*a Singapore unit trust with the following sub-fund authorised under  
Section 286 of the Securities and Futures Act 2001*

**CGS Fullgoal Vietnam 30 Sector Cap ETF**

**PROSPECTUS**

**(Registered by the Monetary Authority of Singapore on 11 July 2023)**

**MANAGER**

**CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.**

## CGS SG ETF SERIES I

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## PRELIMINARY

This Prospectus has been prepared in connection with the offer in Singapore of units (“**Units**”) in the following sub-fund(s) (the “**Sub-Fund(s)**”) of the CGS SG ETF Series I (the “**Trust**”), an umbrella unit trust established under Singapore law by the deed of trust relating to the Trust dated 11 July 2023:

- CGS Fullgoal Vietnam 30 Sector Cap ETF.

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

The collective investment scheme(s) offered in this Prospectus, the Sub-Fund(s), is an authorised scheme(s) under the Securities and Futures Act 2001 (the “**Securities and Futures Act**”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**MAS**”). The MAS assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus with the MAS does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Sub-Fund(s).

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.

### Restriction on U.S. Persons on subscribing to the Sub-Fund(s)

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. In particular, please note that the Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States. The Sub-Fund(s) have not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Units are being offered and sold outside

the United States to persons that are not "U.S. persons" (as defined in Regulation S promulgated under the U.S. Securities Act) in reliance on Regulation S promulgated under the U.S. Securities Act. The Units are not being offered or made available to U.S. persons and nothing in this Prospectus is directed to or is intended for U.S. persons.

For the purposes of the U.S. Securities Act, the term "U.S. person" means: (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. person; (iv) any trust of which any trustee is a U.S. person; (v) any agency or branch of a non-United States entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (a) organized or incorporated under the laws of any non-United States jurisdiction and (b) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" (as defined in Regulation D promulgated under the U.S. Securities Act) who are not natural persons, estates or trusts.

For the purposes of the U.S. Securities Act, the term "U.S. person" does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual), resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (a) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (b) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States; (v) an agency or branch of a U.S. person located outside the United States if (a) the agency or branch operates for valid business reasons and (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, any other similar international organizations, and their respective agencies, affiliates and pension plans.

#### U.S. Foreign Account Tax Compliance Act (FATCA)

Singapore has signed a Model 1 Intergovernmental Agreement ("**IGA**") with the US, which gives effect to the automatic tax information exchange requirements of the US Foreign Account Tax Compliance Act ("**US FATCA**").

The Income Tax (International Tax Compliance Agreements) (United States of America) Regulations 2015 ("**US FATCA Regulations**") were issued on 17 March 2015 to give effect to the IGA. Pursuant to the US FATCA Regulations, the IRAS has published an IRAS e-Tax Guide on the application of the IGA. The IGA provides that Reporting Singapore financial institutions ("**SGFIs**") are required to report account information of certain entities owned by US persons as well as non-compliant clients. SGFIs which comply with the US FATCA Regulations will avoid US FATCA-related withholding tax on relevant payments that they receive from the US. Failure to comply with the US FATCA Regulations by an entity is an offence and such entity is liable upon conviction to a fine and in certain cases the operators of such entity may be subject to a term of

imprisonment. A reciprocal FATCA IGA between Singapore and the United States of America, entered into force on 1 January 2021. The reciprocal IGA provides for the automatic exchange of information with respect to financial accounts under the US FATCA. The Income Tax (International Tax Compliance Agreements) (United States of America) Regulations 2020 incorporates this reciprocal IGA and also entered into force on 1 January 2021.

Depending on the nature of the set-up, the Sub-Fund may have no FATCA due diligence obligations or other parties such as the custodian may have the obligation to perform due diligence and reporting for FATCA purposes. Under the terms of the IGA and the US FATCA Regulations, US FATCA withholding tax will not be imposed on payments made to the Trust (or the Sub-Fund(s)), or on payments made by the Trust to an account holder. However, withholding tax will apply if there is failure in compliance with relevant FATCA obligations of the Trust, or its investors or account holders. US FATCA withholding tax, if any, is generally at the rate of 30% on certain payments including US source Fixed, Determinable, Annual Periodical (“**FDAP**”) income such as gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by or through “Participating Foreign Financial Institutions” to “recalcitrant account holders” and “Non-participating Financial Institutions”. Investors may be required to furnish appropriate documentation certifying as to their US or non-US tax status and the identity of their controlling persons, together with such additional tax information as may be requested from time to time to enable FATCA compliance.

If any event causes the Trust to be unable to comply with its US FATCA obligations and be subjected to the 30% US FATCA withholding tax on certain payments made to it, the Trust and the investors may be adversely affected which may include a compulsory redemption of the investors’ holdings and / or 30% US FATCA withholding.

#### Organisation for Economic Co-operation and Development (OECD) - Common Reporting Standard (CRS)

In addition, the Standard for Automatic Exchange of Financial Account Information in Tax Matters, also known as the Common Reporting Standard (“**CRS**”), is a regime developed by the Organisation for Economic Co-operation and Development (OECD) to facilitate and standardise exchange of information on residents’ assets and income, primarily for taxation purposes between numerous jurisdictions around the world. In Singapore, the Income Tax (International Tax Compliance Agreement) (Common Reporting Standard) Regulations 2016 (“**CRS Regulations**”) may require financial institutions such as the Trust and the Manager to conduct due diligence (including the collection, review and retention of financial account information) and report financial account information relating to specified persons from jurisdictions with which Singapore has a “competent authority agreement” (including any “multilateral competent authority agreement”) (“**CAA**”) to the IRAS. Such information may subsequently be exchanged with Singapore’s CAA partners. Singapore may enter into further IGAs, or the relevant authorities may enact further legislation or impose further requirements, which will form part of the CRS.

Depending on the nature of the set-up, the Sub-Fund may have no CRS due diligence obligations or other parties may have the obligation to perform due diligence and reporting for CRS purposes. By investing (or continuing to invest) in the Trust and/or Sub-Funds, investors (which reference, for the purpose of this Part, shall also include prospective investors of the Trust or a Sub-Fund) shall be deemed to acknowledge that the following in relation to FATCA and CRS:

- (a) certain confidential information in relation to the investor, including but not limited to the investor’s name, address, tax residency(ies), tax identification number (if any) and certain information relating to the investor’s investment may be disclosed to the IRAS;
- (b) IRAS will automatically exchange such information received as outlined above with the authorities of

- the jurisdictions with which Singapore has a tax information sharing agreement;
- (c) the authorities may use such information received for the purpose of administering its tax legislation;
  - (d) the investor may be required to provide additional information and/or documentation which may be required to be disclosed to the IRAS (as appropriate);
  - (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 Trust and the Manager, or a risk of the Trust and Manager or the investors being subject to penalties under the relevant FATCA or CRS regulations, the Trust and other parties responsible for FATCA and CRS in respect of the investment by the investors into the Sub-Fund reserve 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;
  - (f) each investor acknowledges that the Trust and the Manager may each take such action and/or pursue all remedies at its disposal (including, without limitation, rejection of any application for units, compulsory redemption of units, or withholding of redemption proceeds) as they consider necessary to secure payment of withholding tax by the Trust or should such investor refuse to provide the requisite information regarding its tax status, identity, tax residency or other information. Any related tax, costs, interest, penalties and other losses and liabilities suffered by the Trust and Manager or any investor or any agent, delegate, employee, director, officer, manager, member or affiliate of any investor pursuant to CRS and/or FATCA, arising from such investor's failure to provide the requested information to the Trust (or Sub-Fund(s)) (whether or not such failure actually leads to compliance failures by the Trust and Manager, or a risk of the Trust and Manager or the investors being subject to withholding tax) shall be economically borne by such investor;
  - (g) no investor affected by any such action or remedy shall have any claim against Trust (or the Sub-Fund(s)) and Manager for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Trust (or the Sub-Fund(s)) in order to comply with CRS, including the IGA, any CAA, the FATCA regulations and the CRS regulations.

**THE ABOVE IS ONLY A BRIEF AND GENERAL SUMMARY OF VARIOUS LEGAL AND REGULATORY CONSIDERATIONS AND CONSEQUENCES IN SINGAPORE. THE LEGAL AND REGULATORY PROVISIONS SUMMARISED ABOVE MAY UNDERGO CHANGES FROM THE DATE OF THIS PROSPECTUS. INVESTORS AND HOLDERS ARE URGED TO CONSULT THEIR OWN ADVISORS IN THIS REGARD.**

#### Data Protection

For the purposes of, and subject to the provisions in, the Personal Data Protection Act 2012 (“**PDPA**”) and its regulations, each investor consents and acknowledges that all personal data of the investor provided to the Trust, the Sub-Fund(s), the Manager, the Trustee or any delegate, agent or distributor appointed by the Manager or Trustee (including but not limited to the administrator, custodian, sub-custodians, registrar and any other third party service provider which may be applied), may be collected, used, disclosed or otherwise processed to enable each of the aforesaid entities to carry out their respective duties and obligations, or to enforce their respective rights and remedies, in connection with any investment by the investor into the Sub-Fund(s) or any law applicable to the respective parties.

All enquiries in relation to the Trust and Sub-Fund(s) should be directed to the Manager, or any agent or distributor appointed by the Manager.



## **DEFINITIONS**

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

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

“Application Basket” means, a portfolio of Index Securities fixed by the Manager at the start of business on the relevant Dealing Day and/or the cash equivalent of the Index Securities where applicable, and/or such other securities as may be approved by the Manager, 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 such other securities as may be approved by the Manager constituting the Application Basket at the Valuation Point on the relevant Dealing Day.

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

“Application Unit”, in relation to each Sub-Fund, means such number of Units of a Class or whole multiples thereof (if any) as specified in the relevant Appendix for a Sub-Fund or such other number of Units of a Class from time to time determined by the Manager with prior written notice to the Trustee and Participating Dealers, either generally or for a particular Class or Classes or for a particular period of time.

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

“Business Day”, in respect of a Sub-Fund, means, unless the Manager and the Trustee otherwise agree, a day on which (a) the SGX-ST is open for normal trading, (b)(i) the relevant Market on which Index Securities are traded is open for normal trading or (ii) if there is more than one such Market, the Market designated by the Manager as being open for normal trading, and (c) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

“Cancellation Compensation” means an amount payable by a Participating Dealer to the Sub-Fund(s) 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.

“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 or any successor thereof established by the SGX-ST as a depository company which operates a central depository system for the holding and transfer of book-entry securities.

“Class” means any one of the classes of Units which may be issued in respect of a Sub-Fund pursuant to the Trust Deed.

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

“Code Guidelines” means the investment and borrowing guidelines as set out in Appendix 1 of the Code and the guidelines for index funds as set out in Appendix 5 of the Code, as the same may be modified, amended, supplemented or revised by the MAS 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, limited liability partnership, corporation or company (as the case may be) means:

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

“Creation Application” means an application by a Participating Dealer to the Registrar and the Manager for the creation and issue of Units in an Application Unit size in accordance with the relevant procedures set out in the Trust Deed and the Operating Guidelines.

“Custodian” means BNP Paribas, acting through its Singapore Branch or its successors, being the person or persons for the time being appointed by the Trustee as the custodian of the Trust to hold all assets of the Trust.

“Dealing Day” means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine with the prior approval of the Trustee either generally or for a particular Class or Classes of Units.

“Dealing Deadline” in relation to any Dealing Day, means such time or times as the Manager may from time to time with the prior approval of the Trustee determine generally or for a particular Class or Classes of Units of a Sub-Fund.

“Deposited Property” means all the assets (including cash, if any), for the time being held or deemed to be held upon the trusts and subject to the terms of the Trust Deed (or if the context so requires, the part thereof attributable to the relevant Sub-Fund) but excluding any amount for the time being standing to the credit of the Distribution Account of such Sub-Fund.

“Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, 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 but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as determined by the Manager to be made for the purpose of (i) compensating or reimbursing the Trust and/or the Sub-Funds for the difference between (a) the prices used when valuing the Securities of the Deposited Property 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 Trust and/or the Sub-Funds with the amount of cash received by the Trust and/or the Sub-Funds 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 Trust and/or the Sub-Funds in order to realise the amount of cash required to be paid out of the Deposited Property upon such redemption of Units and (ii) preventing the Net Asset Value of the Trust and/or the Sub-Funds from being diluted by the high transactional costs which would be incurred by the Trust and/or the Sub-Funds in connection with a large or significant Creation Application or Redemption Application.

“Excluded Investment Product” means any capital markets product that belongs to a class of capital markets products listed in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018, issued by the MAS (as may be amended from time to time).

“Extension Fee” means the fee payable by a Participating Dealer, subject to the Participation Agreement, to the Sub-Fund on each occasion that the Manager, upon a Participating Dealer’s request, grants the Participating Dealer an extended settlement in respect of a Creation Application or Redemption Application.

“Feeder Fund” means a Sub-Fund which invests all or substantially all of its investments which are units or sub-units or participations in one underlying fund or underlying collective investment scheme and whose investment policy is the same or substantially the same as such Sub-Fund.

“Holder” means a person for the time being entered on the Register as the holder of Units including, where the context so admits as applicable, Joint Holders (as defined in the Trust Deed) so registered, except that where the registered holder is the CDP, the term “Holder” shall, in relation to Units registered in the name of the CDP mean, where the context requires or so admits as applicable, the Depositor and Joint Depositors (both as defined in the Trust Deed).

“Index” means the index against which a Sub-Fund may be benchmarked or may otherwise be referenced as set out in the relevant Appendix.

“Index Provider” means the entity which compiles and maintains the Index as set out in the relevant Appendix.

“Index Securities” means Securities of those companies which are at the relevant time the constituent companies of the Index, any Securities used to track the performance of such Securities constituting the Index at the relevant time or such other Securities designated by the Manager.

“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.

“Issue Price” means in respect of each Sub-Fund (or Class), the price at which Units in that Sub-Fund (or Class) may be issued, determined in accordance with the Trust Deed.

“Listing Rules” means the listing rules issued by the SGX-ST applicable to the listing of each Sub-Fund as an investment fund on the SGX-ST (as amended or supplemented from time to time).

“Manager” means CGS-CIMB Securities (Singapore) Pte. Ltd. or such other person or persons for the time being duly appointed as manager or managers of the Trust in succession thereto in accordance with the Trust Deed.

“Market” means in relation to any Security, the SGX-ST or such other stock exchange from time to time determined by the Manager and any over-the-counter transaction conducted in any part of the world and in relation to any Security shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the Security which the Manager may from time to time elect.

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

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

“Operating Guidelines” means, in respect of a Sub-Fund, the guidelines for the creation and redemption of Units of a Class as set out in the schedule to each Participation Agreement as may be amended, restated or supplemented from time to time by the Manager or the Trustee with the written approval of the other and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers, including without limitation, the procedures for creation and redemption of Units subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, to any amendment being notified in writing by the Manager in advance to the Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the relevant Sub-Fund applicable at the time of the relevant Application.

“Participating Dealer” means a broker or dealer who 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 Applications.

“Permissible Investment” means such investment as may be permitted to be made by a Sub-Fund under the Code, (where applicable) the CPF Investment Guidelines and (for so long as Units of a Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products) the Securities and Futures (Capital Markets Products) Regulations 2018, or as may be permitted to invest in, by the MAS.

“Prescribed Capital Markets Product” means any capital markets product that belongs to a class of capital markets products listed in the Schedule to 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 which is approved by the Manager.

“Redemption Application” means an application by a Participating Dealer to the Registrar and the Manager for the redemption of Units in Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

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

“Register” means, in respect of each Sub-Fund, the register of Holders to be kept in accordance with the Trust Deed.

“Registrar” means BNP Paribas, acting through its Singapore Branch or such person as may from time to time be appointed by the Trustee as registrar in respect of each Sub-Fund pursuant to the Trust Deed to keep and maintain the Register.

“Securities Account” means a securities account or sub-account maintained by a Depositor with the CDP.

“Securities and Futures Act” means the Securities and Futures Act 2001 (as may be amended or supplemented from time to time).

“Security(ies)” means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, units, interest or participations in a collective investment scheme or fund, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, 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 (including but not limited to futures, options, forwards, contract for differences, extended settlement contracts, swaps or swap options);
- (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 Security falling within paragraphs (A) to (E) of this definition shall be a Permissible Investment under the Code.

“Settlement Day” means such Business Days in respect of the relevant Dealing Day as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers, either generally or for a particular Class or Classes of Units.

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

“Singapore dollar”, “SGD” or “S\$” means the lawful currency of Singapore.

“Transaction Fee” means the fee, in respect of a Sub-Fund, payable by the Participating Dealer, subject to the Participation Agreement, to the Sub-Fund on each Application made by the relevant Participating Dealer.

“Trust Deed” means the deed of trust constituting the Trust dated 11 July 2023 between the Manager and the Trustee, as may be amended, supplemented and restated from time to time.

“Trustee” means BNP Paribas Trust Services Singapore Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto under the provisions of the Trust Deed.

“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).

“Underlying Fund” means an investment company or sub-fund of an investment company or unit trust scheme or exchange traded fund or mutual fund or other collective investment scheme from time to time determined by the Manager to be invested into by a Sub-Fund pursuant to the provisions of the Trust Deed and “Underlying Funds” shall be construed accordingly.

“Unit” means a unit in a Class or Sub-Fund representing a certain number or fraction (including irregular fractions) of undivided shares in the Deposited Property attributable to a Sub-Fund which number shall be capable of variation (as between the Classes) in accordance with the provisions of the Trust Deed.

“Unit Trust” means any arrangement whose units are not quoted, made for the purpose, or having the effect, of providing facilities for the participation by persons, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of Securities or any other property whatsoever or in respect of any such arrangement which offers more than one class of units to participating persons (each representing a separate portfolio acquiring, holding, managing or disposing as aforesaid) means each such class of units.

“US dollar”, “USD” or “US\$” means the lawful currency of the United States of America.

“Valuation Point” in respect of each Sub-Fund, means the official close of trading on the Market on which the Index Securities are listed on each Dealing Day or if more than one such Market, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager with the prior approval of the Trustee who shall determine if the Holders should be informed of such change 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.

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

## 1. CGS SG ETF SERIES I

The Trust is a Singapore umbrella unit trust constituted under Singapore law and established by way of a deed of trust dated 11 July 2023 (the “**Trust Deed**”). The Trust will consist of a number of Sub-Funds. The Trust currently has 1 Sub-Fund established under it, namely the CGS Fullgoal Vietnam 30 Sector Cap ETF. The parties to the Trust Deed are CGS-CIMB Securities (Singapore) Pte. Ltd., as the manager (the “**Manager**”) and BNP Paribas Trust Services Singapore Limited, as the trustee (the “**Trustee**”). A copy of the Trust Deed is available for inspection by Holders and potential investors at the registered office of the Manager during usual business hours. Unless expressly provided for in the Trust Deed or allowed under applicable laws, the assets of the Trust and/or the Sub-Fund(s) shall at all times belong to the Trust and/or the Sub-Fund(s) 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 Sub-Fund(s) differ from a typical unit trust offered in Singapore. The Units of a Sub-Fund are listed on the SGX-ST and trade like any other security listed on the SGX-ST. Only Participating Dealers may purchase or redeem Units directly from the Sub-Fund at the Net Asset Value. All other investors may purchase and sell Units in the Sub-Fund on the SGX-ST or through a Participating Dealer, subject to such terms and conditions as may be imposed by the Participating Dealer.

### Classes

The Manager has the discretion to establish different classes of Units (each a “**Class**” and collectively, the “**Classes**”) from time to time. Currently, USD Class Units (denominated in USD) have been established within the CGS Fullgoal Vietnam 30 Sector Cap ETF.

The Classes in a Sub-Fund may differ, amongst other things, in terms of the currency of denomination, dividend payouts, hedging policy, etc.

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

A separate Net Asset Value per Unit will be calculated for each Class. The Net Asset per Unit of each Class will be calculated on each Dealing Day in the currency of the relevant Class. It is calculated based on forward pricing and is determined based on the Net Asset Value as at the Valuation Point on the relevant Dealing Day on which applications for Units are received, of the proportion of the Deposited Property of the Sub-Fund or Class represented by 1 Unit and truncated to four decimal places or to such other truncation or rounding as the Manager may from time to time determine with the approval of the Trustee.

Each Unit represents an undivided share in the Deposited Property or the portion of Deposited Property attributable to the relevant Class. The rights, interests and obligations of Holders are contained in the Trust Deed.

## 2. REGISTRATION AND EXPIRY DATE

The date of registration of this Prospectus by the MAS is 11 July 2023. This Prospectus shall be valid for a period of 12 months after the date of registration and shall expire on 11 July 2024.

### **3. INVESTMENT OBJECTIVE**

The investment objective of each Sub-Fund is stated in the relevant Appendix. Appendix I contains information in respect of the CGS Fullgoal Vietnam 30 Sector Cap ETF.

### **4. INVESTMENT POLICY OF THE SUB-FUND(S)**

#### **4.1 Investment Approach**

The investment approach of each Sub-Fund is stated in the relevant Appendix.

#### **4.2 Investment Strategy**

In managing a Sub-Fund, the Manager may adopt either a Replication Strategy or Representative Sampling Strategy (both as described below). 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 relevant Sub-Fund.

##### **(a) Replication Strategy**

Using a Replication Strategy, a Sub-Fund will invest in substantially all the Index Securities in substantially the same weightings (i.e. proportions) as the Index. This may result in a situation where the Application Basket may comprise of odd lots of the Index Securities. For purposes of tracking the Index closely, the Manager may, from time to time, adjust the number of odd lots of Index Securities in each Application Basket. 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.

##### **(b) Representative Sampling Strategy**

Using a Representative Sampling Strategy, the Sub-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”. Where a Representative Sampling Strategy is employed, Securities that are not constituents of the Index may be held by the Sub-Fund. Such Securities will be expected to have a high level of correlation or a similar valuation or market capitalisation as the relevant Index Securities. The Manager will seek to construct the portfolio of the Sub-Fund such that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of the Index.

The Investment strategy of each Sub-Fund is stated in the relevant Appendix.

### **5. INVESTMENT RESTRICTIONS AND BORROWING POLICY**

Each Sub-Fund is subject to the investment guidelines, restrictions and borrowing limits set out in the Code, which guidelines, restrictions and borrowing limits may be amended from time to time by the MAS. For so long as the Units are Excluded Investment Products and Prescribed Capital Markets Products, the Sub-Fund will not invest in any product or engage in any transaction which may cause the Units not to be regarded as Excluded Investment Products and Prescribed Capital Markets Products (unless otherwise permitted by the MAS).

Subject to the Code and to the provisions of the Trust Deed, the Trustee may at any time on the written instructions of the Manager make and vary arrangements for the borrowing (including entering into overdraft



facilities) by the Trustee for the account of any Sub-Fund of any currency for the purpose of meeting redemptions and bridging requirements or such other purposes as permitted by the Code.

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

To the extent that Units of a Sub-Fund are classified as Excluded Investment Products and Prescribed Capital Markets Products, the Manager may engage in securities lending or repurchase transactions for the Sub-Fund, where such securities lending or repurchase transactions are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the Net Asset Value of the Sub-Fund, and is in line with the Securities and Futures (Capital Markets Products) Regulations 2018 issued by the MAS (as may be amended from time to time). Any securities lending or repurchase transactions which the Manager may engage in will be in accordance with Appendix 1 of the Code.

## **6. RISK FACTORS**

*The Sub-Fund(s) is subject to the following principal risks. The market price of Units and the Net Asset Value per Unit may fall or rise. There can be no assurance that you will achieve a return on your investments in the Units or a return on capital invested. Some or all of the following risks may adversely affect the Sub-Fund(s)'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 Sub-Fund(s). 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 Sub-Fund(s). 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 Sub-Fund(s). You should be aware that an investment in the Sub-Fund(s) may be exposed to other risks of an exceptional nature from time to time.*

### **6.1 Investment Objective Risk**

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst the Manager will implement strategies it believes are appropriate for the investment objective of each Sub-Fund, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of his/her investment in a Sub-Fund. As a result, each investor should carefully consider whether he/she can afford to bear the risks of investing in the relevant Sub-Fund.

### **6.2 Market Risk**

The Net Asset Value of the Units of each Sub-Fund will fluctuate with changes in the market value of the Securities held by the Sub-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. The capital return and income of a Sub-Fund is based on the capital appreciation and income of the Securities that it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Sub-Fund may experience volatility and decline in response to changes in the relevant Index. Investors in a Sub-Fund are exposed to the same risks that investors who invest directly in the underlying Securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Index).

### **6.3 Passive Investment Risk**

A Sub-Fund which tracks an Index is not actively managed. Accordingly, such Sub-Fund may be affected by changes in the market segments relating to the relevant Index. The Manager does not attempt to select Securities individually or to take defensive positions when the Index moves in an unfavourable direction. In such circumstances investors may lose a significant part of their investments. Each Sub-Fund invests (either directly or indirectly) in the Securities included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the passive investment nature of the Sub-Fund will mean that falls in the Index in the case of Sub-Fund tracking the performance of the Index are expected to result in corresponding falls in the value of the Sub-Fund, and investors may lose substantially all of their investment.

### **6.4 Tracking Error Risk**

In the case of a Sub-Fund which tracks an Index, factors such as fees and expenses of a Sub-Fund, imperfect correlation between a Sub-Fund's assets and the Index Securities, changes to the Index and regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the relevant Index. A Sub-Fund's returns may therefore deviate from the relevant Index and there is no assurance that the Sub-Fund will be able to fully track the performance of the relevant Index. A Replication Strategy may be adopted to minimise tracking error, by investing a Sub-Fund's assets in substantially the same weightings as the relevant Index. A Sub-Fund may invest in Securities which are not constituents of the relevant Index by using the Representative Sampling Strategy. The Manager will endeavour to manage the tracking error if the Representative Sampling Strategy is used.

### **6.5 Concentration Risk**

A Sub-Fund which tracks the performance of a single geographical region may be subject to concentration risk. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

### **6.6 Foreign Exchange Risk**

An investment in a Sub-Fund may directly or indirectly involve exchange rate risk. The Index Securities or the Securities of a Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Fluctuations in the exchange rates between such currencies and the base currency may have an adverse impact on the performance of the Sub-Fund. If the Manager intends to hedge such foreign currency exposure, the Manager will adopt a passive hedging strategy (i.e. hedging of foreign currency exposure will mirror the Index).

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

The Net Asset Value of a Sub-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 Holders 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 an Application Unit size by Participating Dealers, as applicable, it is not anticipated that large discounts or premiums will be sustained.

## **6.8 Absence of prior Active Market**

Although an application has been made for the Units of a Sub-Fund to be 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 the Units may trade.

## **6.9 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. Units will normally only be issued or redeemed in an Application Unit size, as specified in the relevant Appendix. 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. 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 Units 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 Sub-Fund or disposal of the Sub-Fund's Securities cannot be effected.

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

Investors will not be able to purchase or sell Units on the SGX-ST during any period when the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever, amongst other factors, the SGX-ST determines that it is necessary or expedient in the interest of maintaining a fair, orderly and transparent market. The creation and redemption of Units may 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 Sub-Fund(s) 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 Sub-Fund(s) may be terminated if Units are delisted from the SGX-ST or if the CDP is no longer able to act as the depository for the Units listed on 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 Sub-Fund(s).

## **6.11 The Sub-Fund(s) is not a typical fund**

Investors should note that the Sub-Fund(s) is not like the typical funds offered to the public in Singapore. Units may only be created and redeemed in an Application Unit size by Participating Dealers and Units may not be subscribed for, or redeemed, directly by investors. For so long as the Units are listed for quotation on the SGX-ST, 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 or through Participating Dealers. These features are not usually present in

a typical fund offered to investors in Singapore, where units/interests can generally be purchased and redeemed directly with a manager or its approved distributors.

### **6.12 Risks related to Borrowings by a Sub-Fund**

Subject to the Code, the Manager may pledge the assets of a Sub-Fund if the lender requires security to be provided in connection with any borrowings by the Manager for the account of the Sub-Fund. In the event that the Sub-Fund is unable to repay the principal or interest on such borrowing, the pledged assets may be disposed of by the lender. If the price received by the lender is insufficient to satisfy the outstanding due to the lender in full, the Sub-Fund may have to dispose of its investments to raise cash for payment of the shortfall to the lender. There may be an adverse effect on the Net Asset Value of the Sub-Fund if such disposal is effected during any period when general market conditions are unfavourable.

### **6.13 Derivatives Risk**

Subject to the provisions of the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 (for so long as the Units are EIPs), the Manager may in its absolute discretion cause a Sub-Fund to use or invest in financial derivative instruments (“**FDIs**”) for the purpose of hedging and/or efficient portfolio management. The Manager may cause a Sub-Fund to make use of FDIs as allowed in the Code. While the prudent and judicious use of FDIs by investment professionals can be beneficial, FDIs involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with FDIs are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. Investments in FDIs may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, a Sub-Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in FDIs be monitored closely.

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

### **6.14 Taxation Risk**

Investing in a Sub-Fund may have tax implications for a Holder depending on the particular circumstances of each Holder. Prospective investors are strongly urged to consult their own tax advisers and counsel on the possible tax consequences with respect to an investment in the Sub-Fund. Such tax consequences may differ in respect of different investors.

### **6.15 Securities Lending or Repurchase Transactions Risk**

Securities lending or repurchase transaction involve counterparty risk, credit risk, liquidity risk, sufficiency of collateral risk, collateral investment risk, delivery risk and operational risk, as described below:

(a) Counterparty risk

A counterparty to such securities lending or repurchase transaction may default on its obligations by being insolvent or otherwise being unable to complete a transaction.

(b) Liquidity risk

A counterparty may not be able to settle its obligations under such securities lending or repurchase transaction for the full value when it is due but would be able to settle on some unspecified date thereafter. This may affect the ability of a Sub-Fund to meet its redemption obligations and other payment commitments.

(c) Sufficiency of collateral risk

Following a default by a counterparty, a Sub-Fund can sell its collateral in the market to raise funds to replace the lent securities. It will suffer a loss if the value of the collateral securities falls relative to the lent securities.

(d) Collateral investment risk

The value of the securities in which the Manager invests the cash collateral may decline due to fluctuations in interest rates or other market-related events.

(e) Delivery risk

Delivery risk occurs both when securities have been lent and collateral has not been received at the same time or prior to the loan, and when collateral is being returned but the loan has not been received.

(f) Operational risk

The custodian or the lending agent may not administer the program as agreed. This includes the failure to mark to market the collateralisation levels, call for additional margin or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

## **6.16 Liquidity Risk**

Trading volumes in the underlying investments of a Sub-Fund may fluctuate significantly depending on market sentiment. There is a risk that investments made by a Sub-Fund may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and so that investment cannot be readily sold at the desired time or price, and consequently the relevant Sub-Fund may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of a Sub-Fund's assets can have a negative impact of the value of the relevant Sub-Fund or prevent the relevant Sub-Fund from being able to take advantage of other investment opportunities.

The Manager has established liquidity risk management policies which enable it to identify, monitor and manage the liquidity risks of the Sub-Fund(s). Such policies, combined with the liquidity management tools available, seeks to achieve fair treatment of Holders and safeguard the interests of

remaining Holders against the redemption behaviour of other investors and mitigate against systemic risk.

The Manager's liquidity risk management policies take into account the relevant Sub-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) a Sub-Fund may borrow up to 10 per cent of the latest available Net Asset Value of the relevant Sub-Fund (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month provided always and subject to the borrowing restrictions in the Code;
- (b) the Manager may pursuant to the Trust Deed and subject to the provisions of the Code, suspend the redemption of Units of the relevant Class or Sub-Fund, and/or delay the payment of any monies and transfer of any Securities in respect of any Redemption Application; and
- (c) the Manager may reduce the redemption requests rateably and pro rata amongst all Holders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent (or such higher percentage as the Manager may determine in respect of a Sub-Fund) of the Units of the relevant Class or Sub-Fund then in issue.

## **7. RISK FACTORS RELATING TO THE INDICES**

### **7.1 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 Market on which an Index Security has its primary listing is inaccurate or incomplete. Examples of types of errors which may occur include:

- (a) the closing price of an Index Security on a given day being incorrect;
- (b) a missed corporate event;
- (c) a missed Index methodology event (deviation from what is stated in the methodology document for the Index); and
- (d) a late announcement in respect of an Index Security.

### **7.2 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.

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

The Securities which comprise the Index may be changed by the Index Provider 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 Securities were to be delisted or if a new Security were to be added to the Index. If this happens, the weighting or composition of the Index Securities invested by a Sub-Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in the Sub-Fund 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 Sub-Fund.

### **7.4 Licence to use the Index may be terminated**

The Manager has been granted a licence by the Index Provider to use each Index in connection with the operation, marketing and promotion of the relevant Sub-Fund. The Sub-Fund may be terminated if the Index licence agreement is terminated 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. In the event that the Index is no longer available for use by a Sub-Fund, the Manager will source for a suitable replacement index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index. Any such replacement index will be notified to Holders via SGXNET. Accordingly, investors should note that the ability of a Sub-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.

In the event that the licence for the use of the Index is terminated for any reason, the Manager will notify Holders of such termination via an announcement on SGXNET.

### **7.5 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 the Index Provider without notice.

## **8. MANAGEMENT AND ADMINISTRATION**

### **8.1 Manager**

The Manager of the Trust is CGS-CIMB Securities (Singapore) Pte. Ltd., whose registered office is at 10 Marina Boulevard, #10-01, Marina Bay Financial Centre Tower 2, Singapore 018983.

The Manager was incorporated in Singapore on 10 June 1987 and has been managing discretionary funds in Singapore since 2021. The Manager holds a capital markets services licence granted by the MAS and provides fund management activities to institutional/accredited investors and retail clients. The issued and paid-up share capital of the Manager is S\$165 million.

As at 23 February 2023, the assets under advisory of the Manager is approximately S\$698,962,129 for accredited/institutional investors, which include family offices and external asset management firms, of which S\$50 million constitutes discretionary mandates using customized and standardized mandates e.g., actively managed certificates. The Manager is also the current investment advisor to the CSOP CGS-CIMB FTSE Asia Pacific Low Carbon Index ETF.

CGS-CIMB Securities (CGS-CIMB) is a leading integrated financial service provider in Asia. It is a joint venture between China Galaxy International Financial Holdings Limited, a wholly owned subsidiary of China Galaxy Securities Co. Ltd., and CIMB Group Sdn Bhd. Through a network of local offices, branches, and strategic partners, CGS-CIMB have a direct global presence in over 20 countries and territories, providing a truly Asian perspective. It is well-positioned as Asia's leading financial gateway with a core focus on deep-dive research and in-depth analysis on equities and financial products. CGS-CIMB is a customer-centric firm and focus on value creation for clients, offering a suite of investment and financial solutions for retail and institutional clients.

CGS-CIMB's businesses include retail broking, institutional equities, derivatives, prime services, equities research, wealth management and online broking. Backed by an award-winning research team, CGS-CIMB has one of the most comprehensive research coverages of over 1,000 stocks. CGS-CIMB's strong research capabilities form the backbone of its product and service offerings, connecting clients to opportunities.

The CGS-CIMB Group refers to the CGS-CIMB group of companies, which includes CGS-CIMB Securities (Singapore) Pte. Ltd.. The CGS-CIMB Group is one of Asia's leading integrated financial services providers. Its network comprises local offices, branches and strategic partners, giving the CGS-CIMB Group a global presence across 20 countries and territories. The CGS-CIMB Group offers a suite of investment and financial solutions for both retail and institutional clients, including retail broking, institutional equities, derivatives, prime services, equities research, wealth management and online broking.

## **8.2 General Responsibilities of the Manager**

The Manager has general powers of management over the assets of the Trust and/or the Sub-Fund(s). 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 will ensure that the Trust and each Sub-Fund are carried on and conducted in a proper and efficient manner. The Manager shall ensure that all transactions with or on behalf of a Sub-Fund are or will be transacted 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 Rules, the Code, the Trust Deed and all relevant contracts. The Manager will be responsible for all communications with Holders.

In the absence of fraud, wilful default or gross 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.

The Manager may delegate all or any of its duties, powers and discretions under the Trust Deed to any other person or corporation (including a Connected Person of the Manager) and notwithstanding such delegation the Manager shall remain entitled to receive and retain in full all sums payable to the Manager under any provision of the Trust Deed.

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

If the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or a receiver is appointed over any of its assets and is not discharged within 60 days or if a liquidator or judicial manager is appointed in respect of the Manager, the Trustee may by notice in writing to the Manager remove the Manager from office and/or terminate the Trust forthwith, in accordance with the Trust Deed.



Any change to the Manager will be announced on the SGXNET.

### **8.3 Directors of the Manager**

The directors of the Manager are as follows: -

#### **Chan Swee Liang Carolina**

Ms. Chan Swee Liang Carolina ("**Carol**"), of 10 Marina Boulevard, #10-01, Marina Bay Financial Centre Tower 2, Singapore 018983, is the Group Chief Executive Officer of CGS-CIMB Group. In her present role, Carol is responsible for the overall management and financial performance of the entire Group's equities business, a regional franchise covering Asia Pacific (ex-Japan) as well as offices in London and New York. She was also previously country investment banking CEO of CIMB Group, where she was responsible for building up the investment banking business, key client and regulator relationships in Singapore.

Carol's experience in financial markets spans over 35 years. She started her career at OCBC Bank and over the last 30 years, she has held a number of senior managerial positions in various stockbroking firms. She is also currently Chairman of the SGX Securities Advisory Committee. Carol was conferred the IBF Distinguished Fellow award in 2016. The IBF Distinguished Fellow is a significant role model who serves as a beacon of excellence for the financial industry. Carol holds a BA degree from the National University of Singapore and a Diploma in Personnel Management.

#### **Malcolm Koo Chin Wei**

Malcolm Koo, of 10 Marina Boulevard, #10-01, Marina Bay Financial Centre Tower 2, Singapore 018983, is the Chief Executive Officer of the Company. He has primary responsibility for the management and financial performance of the Company. He spent more than 15 years within the CGS-CIMB Group in the area of equities. Prior to the CGS-CIMB Group, he started his career at Merrill Lynch Investment Banking division as an analyst, focusing on financial institutions.

He holds a Bachelor of Science, majoring in Accounting and Finance (1st Class Honours), from the London School of Economics and Political Science, and a Master of Business Administration (Honours) from the University of Chicago, Booth School of Business.

#### **Chan Yuen May**

Ms. Chan Yuen May, of 10 Marina Boulevard, #10-01, Marina Bay Financial Centre Tower 2, Singapore 018983, is the Deputy Group Chief Executive Officer and Co-Group Chief Financial Officer of the CGS-CIMB Group. She has been in the financial markets industry for over 17 years. In her present role, she is responsible for the CGS-CIMB Group's finance and key governance functions.

Prior to joining the Company, she was in practice with Ernst & Young for over 10 years managing audits as well as advising on compliance of regulators' rules and regulations, procedures for listings on stock exchanges and mergers and acquisitions.

She holds a Bachelor of Business degree, majoring in Accounting and minoring in Business Law and Management, from Charles Darwin University.

### **Yap Teong Keat**

Yap Teong Keat, of 10 Marina Boulevard, #10-01, Marina Bay Financial Centre Tower 2, Singapore 018983, is a CFA charterholder who is the Group Chief Transformation Officer of the CGS-CIMB Group. His 35 years of experience in the capital markets have included roles in both local and foreign firms. He has held a variety of responsibilities in both buy and sell sides, distribution and origination, in addition to having headed both research and sales functions.

He is an IBF Fellow and serves on the CMFAS Exam Board of the Institute of Banking and Finance of Singapore. He was also on the Board of Governors of the CFA Institute and was President of CFA Singapore.

He holds a Master of Business Administration from the University of Washington.

### **Ho Wai Chu**

Ms. Ho Wai Chu, of 10 Marina Boulevard, #10-01, Marina Bay Financial Centre Tower 2, Singapore 018983, is the Director of Operations in China Galaxy International Financial Holdings Limited. She manages its day-to-day operations, coordinates across business functions, formulates, reviews, and updates the operations procedures to ensure full regulatory compliance, and supervises and approves the daily brokerage operations.

She holds a Bachelor of Administrative studies from York University.

## **8.4 Key Executives**

The key executives of the Manager in respect of the CGS Fullgoal Vietnam 30 Sector Cap ETF are:

### **Ade Olopade**

Ade Olopade currently serves as Managing Director & Group Head, Investment Management at CGS-CIMB Securities (Singapore) Pte Ltd. Before this appointment, he was the Group Head of Prime Services from 2019 to 2022.

Before joining CGS-CIMB, Ade was the Executive Vice President of Maybank Investment Group (Maybank Securities Singapore) between 2012 to 2018. He has held senior management roles with Cantor Fitzgerald Singapore between 2011 to 2012, and MF Global Singapore between 2008 to 2011.

Ade holds a MSc. Economics of the European Union and a Bachelors of Economics from the University of Exeter, Devon, United Kingdom. Ade was a Fellow of the Chartered Institute of Securities and Investment, United Kingdom and holds a Diploma in Investment Compliance.

### **Edmund Choy**

Edmund is the Head of Investment Products & Solutions for CGS-CIMB Securities offering investment solutions to clients. He co-manages the portfolios with Jake. Edmund joined the Manager in 2021 and conducts discretionary portfolio management, portfolio construction, and develops investment solutions.

Edmund has 15 years' experience in the finance industry and was previously with Nomura Singapore Limited for 5 years where he managed discretionary portfolios along with conducting due diligence on managed products (including ETFs). In addition, Edmund also provided ancillary investment support to the investment advisory team.

Prior to that, he was with Union Bancaire Privée and was part of the investment advisory and Discretionary Portfolio Management team providing investment solutions to clients. Edmund started his career with GIC Private Ltd as a research assistant with the external fund management and equities department.

Edmund graduated from Monash University with a Bachelor in Business and Commerce.

### **Jake Damien Chow, CMT**

Jake is a lead portfolio manager with the Discretionary Portfolio Management team at CGS-CIMB Securities. He co-manages the portfolios with Edmund. Jake has been constructing discretionary investment portfolios since 2018.

His primary responsibilities include managing discretionary investment mandates for the team, conducting quantitative research to uncover new sources of alpha; building proprietary strategic/tactical asset allocation models, multi-factor equity strategies and mutual fund selection models.

Prior to his current role, Jake served as a market strategist for 5 years with CGS-CIMB Research Pte. Ltd., the firm's research arm. During this tenure, he pioneered the development of the firm's family of proprietary quantitative factor models, most notably the CQM Dual Momentum Models.

Jake holds a Bachelor of Business majoring in Economics and Finance from the RMIT University (Melbourne). He is a Chartered Market Technician® (CMT), member of the CMT Association and co-chair of the Singapore CMT Chapter.

## **8.5 Trustee**

The Trustee of the Trust is BNP Paribas Trust Services Singapore Limited whose registered address is at 20 Collyer Quay, #01-01, Singapore 049319.

BNP Paribas Trust Services Singapore Limited (the “**Trustee**”) was incorporated in Singapore on 10 January 2008, with an issued and paid-up share capital of S\$4,000,000 as of 1 January 2023. The Trustee does not have any material conflict of interest with its position as trustee of the Trust. The Trustee is regulated in Singapore by the MAS.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust and the Sub-Funds. Under and subject to the terms of the Trust Deed, the Trustee is entitled (for the purpose of indemnity against any actions, costs, claims, damages, liabilities, expenses or demands to which it may be put as trustee) to have recourse to the assets of the Trust and/or the Sub-Funds. The Trustee will remain as the trustee of the Trust until it retires or removed or replaced in accordance with the provisions of the Trust Deed.

If the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or a receiver shall be appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Trustee, the Manager may by notice in writing to the Trustee remove the Trustee from office in accordance with the Trust Deed.

Please refer to the Trust Deed for further information on the roles and responsibilities of the Trustee.

Any changes to the Trustee will be announced on the SGXNET and the Manager's <https://www.cgs-cimb.com.sg/en/home>.

## 8.6 Registrar

BNP Paribas, acting through its Singapore Branch has been appointed as the registrar of the Trust (the “**Registrar**”).

The register of Holders of the Sub-Funds (the “**Register**”) is kept and maintained at 20 Collyer Quay, #01-01, Singapore 049319 and is accessible for inspection by the Holders during normal business hours (subject to reasonable conditions and restrictions as the Manager or the Trustee may impose).

The Register is conclusive evidence of the number of Units held by each Holder. The entries in the Register will prevail if there is any discrepancy between the entries in the Register and the details appearing on any statement of holding, unless the Holder proves to the satisfaction of the Manager and the Trustee that the Register is incorrect.

If the Registrar goes into liquidation, the Registrar’s appointment may be terminated in accordance with the terms of the registrar agreement.

Any changes to the Registrar will be announced on the SGXNET and the Manager’s website.

For so long as the Units are listed, quoted and traded on the SGX-ST, the Manager shall appoint The Central Depository (Pte) Limited (Company Registration No.: 198003912M) (the “**CDP**”) as the unit depository for the Trust and the Sub-Fund(s), and all Units issued and available for trading will be represented by entries in the Register maintained by the Registrar in the name of, and such Units will be deposited with, CDP as the registered Holder of such Units.

## 8.7 Auditors

The auditors of the Trust are Ernst & Young LLP whose registered address is at Level 18 North Tower, One Raffles Quay, Singapore 048583.

Any changes to the auditors will be announced on the SGXNET and the Manager’s website.

## 8.8 Custodian

The Trustee has appointed BNP Paribas, acting through its Singapore Branch, with its registered address at 20 Collyer Quay, #01-01, Singapore 049319, as the global custodian of the Trust (“**Custodian**”). BNP Paribas, acting through its Singapore Branch is a licensed bank in Singapore regulated by the Monetary Authority of Singapore. Its banking licence was granted with effect from 20 October 1999. BNP Paribas is a bank organised under the laws of France under No. 662 042 449 and a public limited company incorporated under the laws of France with its registered office at 16 boulevard des Italiens, 75009 Paris, France, and is authorised and supervised by the European Central Bank and by the Autorité de Contrôle Prudentiel et de Résolution in France.

As at 31 December 2022, the share capital of BNP Paribas amounted to €2,468,663,292 consisting of 1,234,331,646 shares with a par value of €2 each.

Pursuant to a global custody agreement between the Trustee and the Custodian, the Custodian will act as the custodian of the Trust’s and the Sub-Funds’ assets, which may be held directly by the Custodian or through its agents, sub-custodians or delegates pursuant to the relevant custodial services agreement.

The Custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians. The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as the financial strength, reputation in the market, systems capability, operational and technical expertise. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

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

In the event the Custodian becomes insolvent, the Trustee may by notice in writing, terminate the custodian agreement entered into with the Custodian and, in accordance with the Trust Deed, appoint such person as the new custodian to provide custodial services to the Trust.

Any changes to the Custodian will be announced on the SGXNET and the Manager's website.

### **8.9 Fund Administrator**

BNP Paribas, acting through its Singapore Branch, whose details are set out above, has been appointed as the fund administrator of the Trust in respect of the Sub-Fund(s) (the "**Fund Administrator**"). The Manager has delegated its accounting and valuation functions in respect of the Trust to the Fund Administrator.

Any changes to the Fund Administrator will be announced on the SGXNET and the Manager's website.

### **8.10 Investment Advisor**

Details of the Investment Advisor for each Sub-Fund (if any) are set out in the relevant Appendix.

## **9. BROKERAGE TRANSACTIONS**

The policy of the Manager regarding purchases and sales of 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 or execution prices which are considered fair and reasonable without necessarily determining that the lowest possible commissions or execution prices are paid in all circumstances.

The Manager believes that a requirement always to seek the lowest possible commission cost or execution price may impede effective portfolio management and preclude the Trust, the Sub-Fund(s) and the Manager from obtaining a high quality of brokerage. In seeking to determine the reasonableness of brokerage commissions or execution prices paid in any transaction, the Manager relies upon its experience and knowledge regarding commissions or execution prices generally charged by various brokers and on its judgement in evaluating the brokerage 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 consider placing portfolio transactions with those brokers and dealers who also furnish other services to the Trust, the Sub-Fund(s) or the Manager. Such services may include, but are not limited to, information as to the availability of Securities for purchase or sale, and statistical information pertaining to corporate actions affecting Securities.

None of the Manager, its directors and their associates is or will be entitled to receive any part of any brokerage charged to the Trust and/or the Sub-Fund(s), or any part of any fees, allowances and benefits (other than soft dollar commissions or arrangements mentioned below) received on purchases charged to the Trust and/or the Sub-Fund(s).

## **10. SOFT DOLLAR COMMISSIONS OR ARRANGEMENTS**

The Manager may receive or enter into soft dollar commissions or arrangements in respect of the Trust and/or the Sub-Fund(s). The Manager will comply with applicable regulatory and industry standards on soft dollars. Subject to the Code, the soft dollar commissions which the Manager may receive include research, and payment of certain expenses, such as newswire and data processing charges, quotation services, and periodical subscription fees.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries, direct money payment, or any other goods and services as may be prescribed from time to time in any code or guideline issued by the Investment Management Association of Singapore from time to time.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft dollar commissions or arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in their management of the Trust and/or the Sub-Fund(s), provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in Securities for account of the Trust and/or the Sub-Fund(s).

The Trust may be deemed to be paying for these services with "soft" or commission dollars. Although the Manager believes that the Trust will demonstrably benefit from the services obtained with "soft" dollars generated by trades, the Trust does not benefit from all of these "soft" dollar services because the Manager and other accounts managed by the Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Manager uses "soft" or commission dollars to pay for expenses the Manager would otherwise be required to pay itself.

The Manager intends generally to consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied on, and attempt to allocate a portion of their brokerage business on the basis of that consideration. The investment information received from brokers, however, may be used by the Manager and its affiliates in servicing other accounts and not all such information may be used by the Manager in connection with the Trust. The Manager believes that such an allocation of brokerage business may help the Trust to obtain research and execution capabilities and provides other benefits to the Trust.

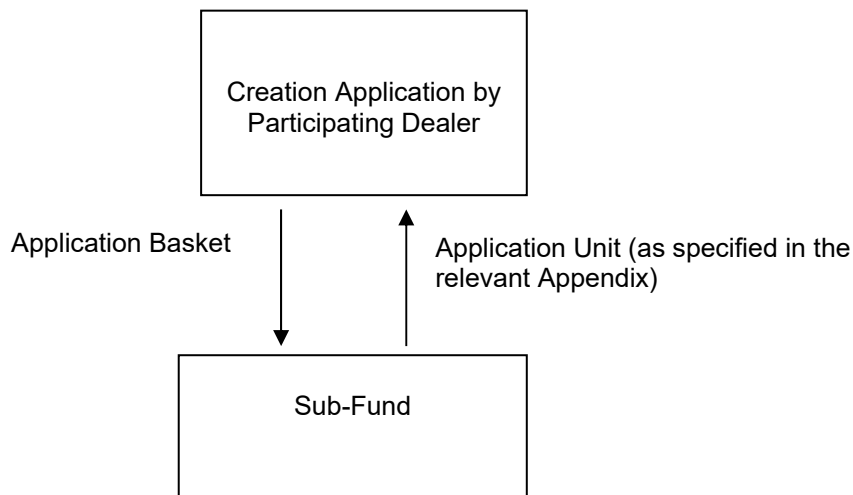
The relationships with brokerage firms that provide “soft” dollar services to the Manager may influence the Manager’s judgement in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute brokerage transactions. The brokerage commissions that the Manager will pay to those firms, however, will not differ materially from and will not be in excess of customary full brokerage commissions payable to other firms for comparable services.

**11. OPERATION OF THE SUB-FUND(S)**

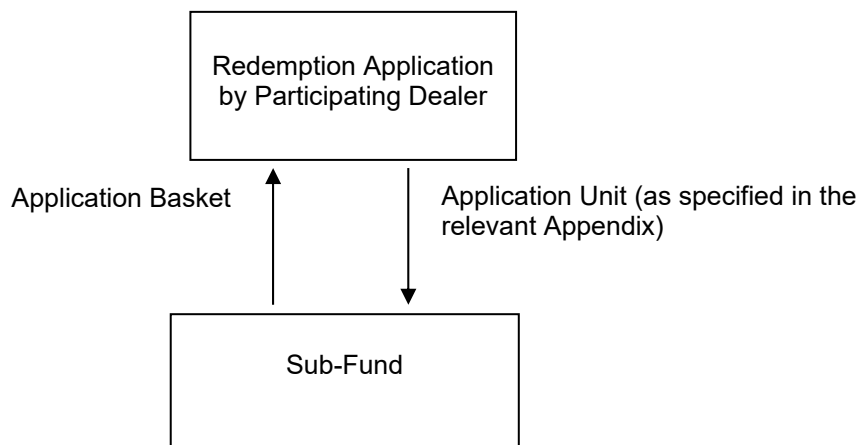
Only a Participating Dealer can create and redeem Units directly with a Sub-Fund. Any person, other than the Participating Dealer, who buys and sells Units of a Sub-Fund will have to effect this on the SGX-ST or through a Participating Dealer (subject to such terms and conditions as may be imposed by the Participating Dealer). The diagrams below illustrate the methods of acquiring and disposing Units in a Sub-Fund after listing:

**11.1 Direct creation and redemption by a Participating Dealer:**

***(i) Direct Creation by a Participating Dealer***

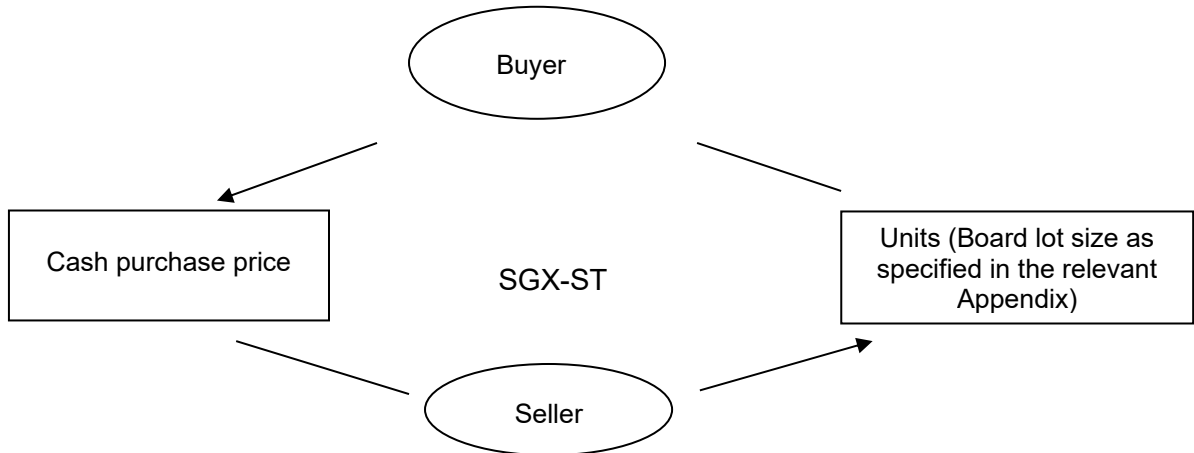


***(ii) Direct Redemption by a Participating Dealer***

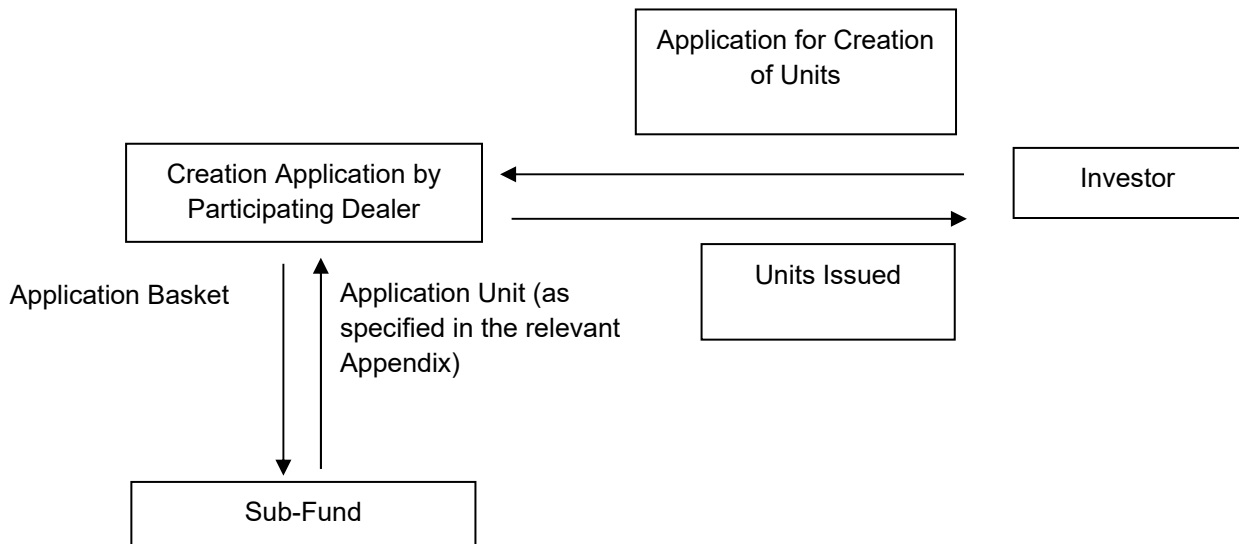


**11.2 Investors other than Participating Dealers:**

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

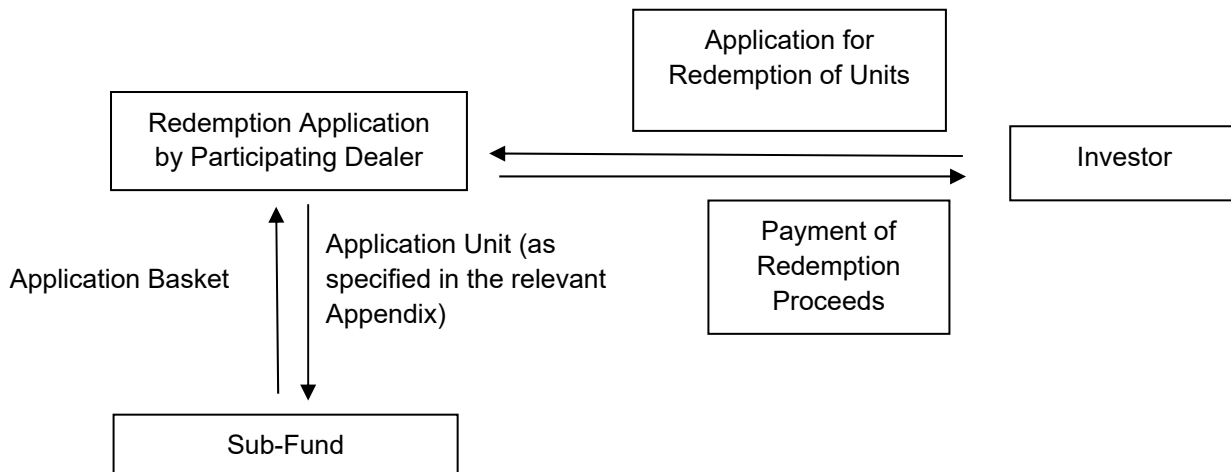


**(ii) Subscribing and redeeming Units through a Participating Dealer<sup>1</sup>**



<sup>1</sup> Only for clients of Participating Dealers and subject to such terms and conditions as may be imposed by the relevant Participating Dealer.

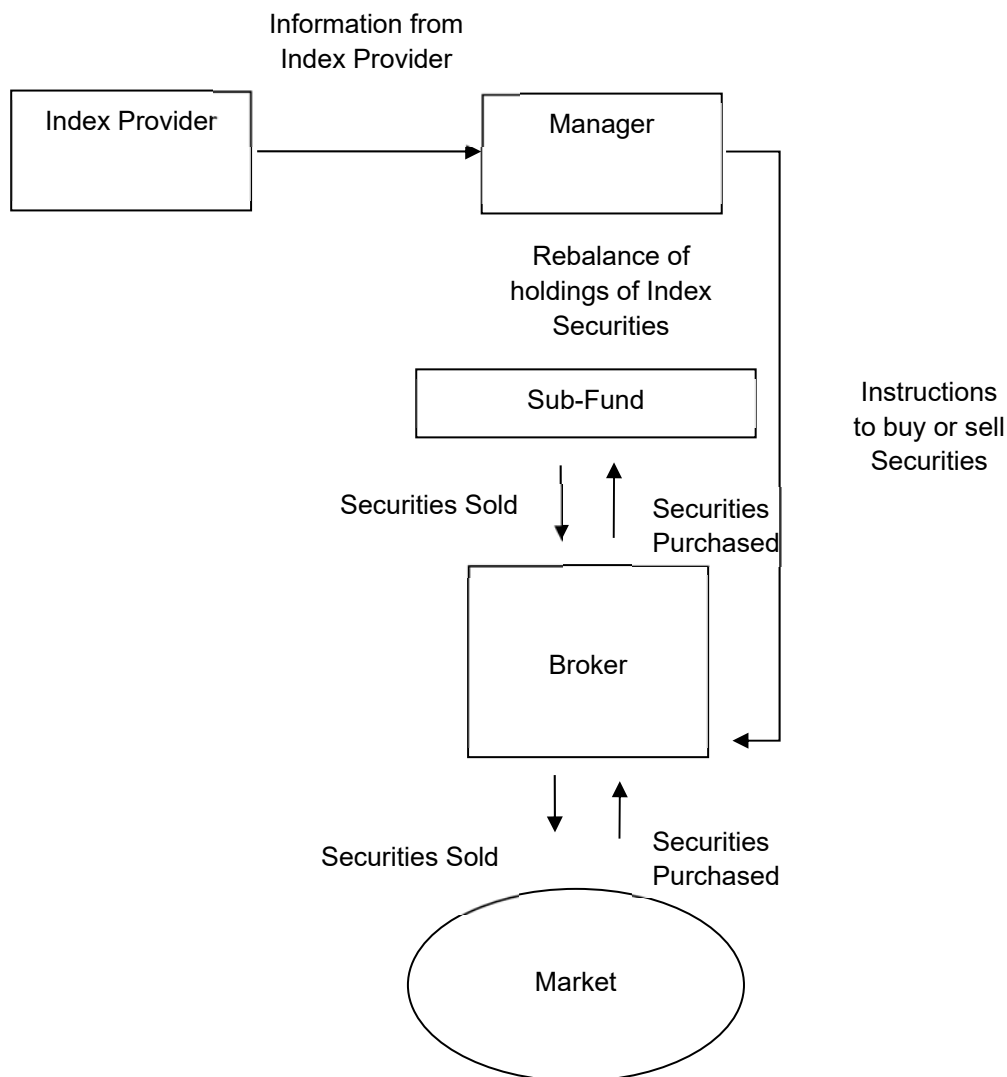




### 11.3 Index Rebalancing

The constituent Index Securities and their respective weightings within an Index will change from time to time. In order for a Sub-Fund to achieve its investment objective of tracking the relevant Index, it will accordingly be necessary for the Manager to rebalance the Sub-Fund's holdings of Index Securities comprised in the relevant Index. The Manager will liaise with the Index Provider with regard to such proposed rebalancing and/or derive public information announced by the Index Provider and rebalance the holdings of Index Securities accordingly.

An Index will be reviewed on a periodic basis and minor rebalancing will be carried out as and when necessary. For Sub-Fund(s) which adopt a Replication Strategy, it is expected that during the rebalancing, the Sub-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. For Sub-Fund(s) which adopt a Representative Sampling Strategy, the Manager will monitor the tracking error daily and rebalance such Sub-Fund's holdings if considered necessary. You may obtain information on the tracking error and/or tracking difference of the relevant Sub-Fund from the Manager's website at <https://www.cgs-cimb.com.sg/en/home>. The diagram below represents the rebalancing of a Sub-Fund's holdings of Index Securities following the rebalancing of the Index:



#### 11.4 Market Maker

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 designated 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. Designated 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 designated market maker for a Sub-Fund to facilitate efficient trading.

The designated market makers for each Sub-Fund are stated in the relevant Appendix. Any changes to the designated market makers will be announced on the SGXNET and the Manager's website.

#### 11.5 Participating Dealer

The role of a Participating Dealer is to facilitate creation and redemption of Units in the Sub-Fund(s) from time to time. Under the terms of the Participation Agreement, only a Participating Dealer may apply to create Units in respect of an Application Unit by the presentation of Index Securities and/or the cash equivalent of

the Index Securities where applicable. In its absolute discretion, a 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 relevant Participating Dealer.

Any changes to the Participating Dealers will be announced on the SGXNET and the Manager's website.

## **12. DEALING BY INVESTORS**

Investors cannot create or redeem Units directly in a Sub-Fund. However, 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.

For a Sub-Fund listed on the SGX-ST, investors can place an order to buy or sell Units in cash during the trading day through a broker or any trading member of the SGX-ST as one would in the case of a security listed on the SGX-ST, at any time after dealings in the Units commence and for so long as the Units are listed on the SGX-ST. The trading price of Units 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.

Brokerage and other fees may be payable when purchasing and selling Units on the SGX-ST. Please see paragraph 19.4 "Fees and Charges Payable by Investors Dealing in Units on the SGX-ST" below.

## **13. SUBSCRIPTION AND REDEMPTION**

### **13.1 Minimum Subscription Amount (applicable to Participating Dealers only)**

The minimum subscription amount for a Sub-Fund through a Participating Dealer is 1 Application Unit. The Application Unit size for a Sub-Fund is the number of Units specified in the relevant Appendix. Investors who wish to acquire less than 1 Application Unit may only acquire such Units on the SGX-ST.

### **13.2 Continuous Offering of Units and Dealing Deadlines (applicable to Participating Dealers only)**

Units in a Sub-Fund will, subject to any suspension of dealings by the Manager pursuant to the Trust Deed, 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 Deadline for purposes of subscription or redemption of Units for each Sub-Fund is specified in the relevant Appendix. All dealing requests are dealt with at the same Net Asset Value at the same Valuation Point for the relevant Dealing Day (or such other time as may be determined by the Manager from time to time with the prior approval of the Trustee).

### **13.3 Procedures for Creation of Application Unit Size (applicable to Participating Dealers only)**

Only Participating Dealers may apply directly to the Manager to create Units in a Sub-Fund.

The Manager shall instruct the Trustee and/or the Registrar in writing to effect, for the account of the relevant Sub-Fund, the creation of Units in Application Unit size in accordance with any of (a) or (b) below (or a combination of both):

- (a) in exchange for a transfer, by the Participating Dealer, to the Trustee for the account of the relevant Sub-Fund, of Index Securities constituting an Application Basket for the relevant Units, payment of a cash amount equivalent to any Duties and Charges and any incidental costs associated with the creation of Units payable plus, if the Cash Component is a positive value, a cash payment equivalent

to the amount of the Cash Component; and if the Cash Component is a negative value, the Manager shall cause (by notifying the Trustee in writing) the Trustee to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to the Participating Dealer, provided that in the event that the relevant Sub-Fund has insufficient cash required to pay any Cash Component payable by the relevant Sub-Fund, the Manager may effect the sale of all or some of the Deposited Property of the relevant Sub-Fund, or to borrow monies 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) for the relevant Units in the Sub-Fund, *plus* an amount equivalent to any Cash Component (if the Cash Component is positive), which the Manager shall use (i) to purchase the Index Securities comprised in the Application Basket or (ii) to purchase such Securities as the Manager may consider appropriate or (iii) to apply such cash for entry into such contractual agreements (being FDIs or otherwise being in the nature of investments by the Sub-Fund) as the Manager consider appropriate, and 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 (expressed as a positive figure) to the Participating Dealer, provided that (1) in the event that the relevant Sub-Fund has insufficient cash required to pay any Cash Component payable by the relevant Sub-Fund, the Manager may effect the sale of all or some of the Deposited Property of the relevant Sub-Fund or to borrow monies in accordance with Clause 12 of the Trust Deed, to provide the cash required, and (2) the Manager shall be entitled in its absolute discretion to (i) charge (for the account of the relevant Sub-Fund) to the Participating Dealer, such additional sum as represents the appropriate provision for Duties and Charges and any incidental costs associated with the creation of Units, and (ii) in respect of any difference (if any) between the prices used when valuing the Index Securities comprising the Application Basket of the relevant Sub-Fund 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 comprising the Application Basket by the Manager for the account of the relevant Sub-Fund (after the addition to the relevant purchase prices of any Duties and Charges and any incidental costs associated with such acquisition of such Index Securities), require the Participating Dealer to pay such difference to the Trustee (if the difference is negative), or cause to be paid to the Participating Dealer (if the difference is positive), an amount as is determined by the Manager in its sole discretion up to an amount equal to such difference.

The Manager shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

- (i) any period during which (i) the creation or issue of Units of the relevant Class or Sub-Fund is suspended pursuant to the Trust Deed, (ii) the redemption of Units of the relevant Class or Sub-Fund is suspended pursuant to the Trust Deed, and/or (iii) the determination of Net Asset Value of the Sub-Fund is suspended pursuant to the Trust Deed;
- (ii) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the Sub-Fund;
- (iii) where in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant Market on which a Security (that is a component of the Index for the relevant Sub-Fund) has its primary listing;

- (iv) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities in the relevant Index;
- (v) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with all applicable legal and regulatory requirements;
- (vi) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;
- (vii) any period when the business operations of the Manager, the Trustee, the Custodian or any agent of the Trustee on which the Trustee relies to effect the creation of Units in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God; or
- (viii) an Insolvency Event occurs in respect of the relevant Participating Dealer.

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

No fractions of a Unit shall be created or issued.

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. All Creation Applications shall only be accepted if made by or through a Participating Dealer in accordance with the terms of the Trust Deed and the relevant Participation Agreement.

Subject to the Trust Deed, 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.

The creation and issue of Units pursuant to a Creation Application shall be effected on the Settlement Day in accordance with the Operating Guidelines but:

- (a) 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
- (b) the Register will be updated on the Settlement Day or the Dealing Day immediately following Settlement Day if the settlement period is extended pursuant to the Trust Deed.

If a Creation Application is received by the Registrar and accepted by the Manager with a trade date specified on a day which is not a Dealing Day, or with no trade date specified, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

If a Creation Application is received by the Registrar and accepted by the Manager after the Dealing Deadline on a Dealing Day, that Creation Application shall be carried forward and deemed to be received at the opening

of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

For every successful Creation Application, the Participating Dealer will be sent a confirmation detailing the number of Units allotted within 7 Business Days of the receipt and acceptance of the Application by the Manager. Investors who acquire Units constituting an Application Unit size through a Participating Dealer may request the Participating Dealer to apply to the CDP for his/her Units to be entered against his/her name on the records of the CDP in accordance with the CDP's terms and conditions.

The Manager may reject a Creation Application by a Participating Dealer if the Application is not in a form and substance satisfactory to, and accompanied by such certifications required in the Operating Guidelines (if any) in respect of creation of Units, together with such certifications and opinions of counsel (if any) as the Trustee and the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the creation of Units which are the subject of the Creation Application or other documents as may be required by the Trustee and the Manager in accordance with the Trust Deed, the relevant Participation Agreement and the Operating Guidelines.

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). Subject always to the Participation Agreement, the Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Creation Application(s) (and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Creation Application(s)) to the Sub-Fund.

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 of the relevant Sub-Fund.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the Register if at any time it is of the opinion that the provisions of the Trust Deed 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 in making a cash Creation Application based on one Application Unit of 50,000 Units and a notional Issue Price per Unit of US\$1.0000 plus Duties and Charges of US\$50 (purely for illustration purpose) and the Transaction Fee of US\$500.

(50,000 Units	x	US\$1.0000)	+	US\$50	+	US\$500	=	US\$50,550
Number of 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 that the Participating Dealer may ultimately*

*pass on fees and charges which it paid to the Manager and/or the Trustee for the Creation Application to the end investors. Investors should consult the relevant Participating Dealer for details on all additional fees and charges payable by investors.*

#### **13.4 Cancellation of Creation Application of Units and Extension of Settlement Period (applicable to Participating Dealers only)**

The Manager shall instruct the Trustee to cancel Units created and issued in respect of a Creation Application 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 (i) any cash payable in connection with the relevant Creation Application and (ii) any Duties and Charges, incidental costs associated with the creation of Units and Transaction Fee payable have not been received in cleared funds by or on behalf of the Trustee or Registrar by such time on the relevant Settlement Day as prescribed in the Operating Guidelines,

provided that, in either event, the Manager with the approval of the Trustee, may at its discretion 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 any Extension Fee or collateral to the Manager or the Trustee or their Connected Persons or otherwise as it may determine) as the Manager with the approval of the Trustee, may determine, in accordance with the Operating Guidelines.

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, the Index Securities and/or the cash equivalent of the Index Securities constituting the Application Basket as have been vested in the Trustee and/or any cash received by or on behalf of the Trustee in connection with the relevant Creation Application (in either case in respect of such cancelled Units) shall be redelivered to the Participating Dealer (excluding interest) and the relevant Units shall be deemed for all purposes never to have been created and the relevant Participating Dealer therefore shall have no right or claim against the Manager, the Trustee and/or the Registrar in respect of such cancellation provided that, and subject to the Participation Agreement:

- (a) the Manager may charge the relevant Participating Dealer an Application Cancellation Fee;
- (b) the Manager may at its absolute discretion require the Participating Dealer to pay to the account of the relevant Sub-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 in accordance with the Trust Deed, together with charges, expenses and losses incurred by the Sub-Fund as a result of any such cancellation;
- (c) the Application Cancellation Fee, Transaction Fee, Extension Fee (if applicable) and/or Duties and Charges in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) to the Sub-Fund; and

- (d) no previous valuations of the Deposited Property of the relevant Sub-Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

### **13.5 The Manager's Discretion to Accept Cash Collateral for Creation and Issue of Units (applicable to Participating Dealers only)**

If the Manager determines in its discretion (following an Application by a Participating Dealer) that any Index Security, included in an Application Basket is likely to be unavailable for delivery or available in insufficient quantity for delivery upon the creation of any Application Unit by a Participating Dealer, then the Manager shall have the right in its discretion to accept cash equal to or in excess of the market value at the Valuation Point for the relevant Dealing Day of such Index Security in lieu of accepting such Security as constituting part of the Creation Application.

If the Manager (following an Application by a Participating Dealer) is satisfied upon a Creation Application by a Participating Dealer that the relevant Participating Dealer is restricted by regulation or otherwise from investing or engaging in a transaction in any Security, the Manager shall have the right in its discretion to accept cash equal to or in excess of the market value at the Valuation Point for the relevant Dealing Day of such Security in lieu of accepting such Security constituting part of the relevant Creation Application.

In either scenarios above, the Manager shall be entitled in its discretion to charge (for the account of the Trust or Sub-Fund) to the applicant of any Units for which cash is paid in lieu of delivering any Security in accordance with the Trust Deed such additional sum as represents the appropriate provision for Duties and Charges and any incidental costs associated with the creation of Units (including but not limited to bid/ask spread and price slippage).

### **13.6 Procedures for Sale of Units via SGX-ST (applicable to investors other than Participating Dealers)**

Investors who wish to dispose of less than an Application Unit size (as specified in the relevant Appendix) may do so by trading the Units on the SGX-ST.

In the event that the Units cease at any time to be listed on the SGX-ST and any other stock exchange on which the Units may be listed or quoted on for a continuous period of 30 days, subject to paragraph 17 "Suspension of Dealings", the Manager may, within 14 days (or such other period as may be prescribed by the MAS or SGX-ST) from the end of such 30-day period, commence accepting redemption requests directly from investors subject to the provisions of the Trust Deed, and in the event that the Units are subsequently re-listed on the SGX-ST or a stock exchange, the Manager may, on reasonable notice given to investors, again require redemption requests to be made only through Participating Dealers (for Application Unit size) or SGX-ST (for Units less than an Application Unit size).

### **13.7 Procedures for Redemption of Application Unit Size (applicable to Participating Dealers only)**

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 Trust Deed, the relevant Participation Agreement and the Operating Guidelines, by notice in writing to the Trustee to effect a reduction of the Deposited Property of the relevant Sub-Fund on the relevant Settlement Date by requiring the Trustee to cancel the number of Units specified in such notice.



An Application for the redemption and cancellation of Units shall only be made or accepted (as the case may be) on a Dealing Day, shall only be in respect of Units constituting an Application Unit size thereof and shall only be accepted if made by or through a Participating Dealer in accordance with the terms of the Trust Deed and the relevant Participation Agreement.

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 the Units.

If a Redemption Application is received by the Registrar and accepted by the Manager with a trade date specified on a day which is not a Dealing Day, or with no trade date specified or after the Dealing Deadline on a Dealing Day, that Redemption Application shall be carried forward and deemed to be 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.

If a Redemption Application is received and accepted by the Manager after the Dealing Deadline on a Dealing Day, that Redemption Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Redemption Application.

The Manager shall, on receipt of a Redemption Application for a particular Sub-Fund from a Participating Dealer which complies with the requirements of the Trust Deed, effect the redemption of the relevant Units and transfer to the Participating Dealer either (a) the appropriate number of Index Securities constituting the Application Basket for the relevant Units or (b) a cash amount equivalent to the Application Basket Value for the relevant Units; plus, where 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 Participating Dealer shall be required to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to or to the order of the Trustee and any applicable Duties and Charges and the Transaction Fee. In the event that the relevant Sub-Fund has insufficient cash to pay any cash payable, the Manager may effect the sale of all or some of the Deposited Property of the relevant Sub-Fund, or borrow monies in accordance with the Trust Deed, to provide the cash required.

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units which is the subject of the Redemption Application; and
- (c) include the certifications required in the Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) 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.

Subject to the Trust Deed, a Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager.

Subject always to the Participation Agreement, the Manager may deduct from and set off against any cash amount payable to a Participating Dealer on the redemption of Units such sum (if any) which represents the appropriate provision for Duties and Charges and any incidental costs associated with the redemption of Units (including but not limited to bid/ask spread and price slippage), the Transaction Fee and Extension Fee

(if applicable). To the extent that the cash amount is insufficient to pay such Duties and Charges and any incidental costs associated with the redemption of Units (including but not limited to bid/ask spread and price slippage) payable on such redemption, the Participating Dealer shall promptly pay the shortfall in base currency for the Sub-Fund to or to the order of the Trustee. The Trustee shall not be obliged to deliver (and shall have a general lien over) the Index Securities constituting the Application Basket, if applicable, to be transferred in respect of the relevant Redemption Application until such shortfall and any cash amount payable by the Participating Dealer under the Trust Deed are paid in full in cleared funds.

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 Trust, covering the relevant Dealing Day, have been prepared, to require the Manager to justify its calculation of the Redemption Value.

Any Index Securities transferable and cash payable shall be transferred and paid on the Settlement Day in accordance with the Trust Deed 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 the full amount of any cash amount payable by the Participating Dealer and any Duties and Charges and any incidental costs associated with the redemption of Units, the Transaction Fee and Extension Fee (if applicable) payable have been deducted or otherwise paid in full.

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

- (a) the Units, which are the subject of the Redemption Application, shall be redeemed and cancelled;
- (b) the Deposited Property 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;
- (c) the name of the Holder of such Units shall be removed from the Register in respect of those Units on the relevant Settlement Day, and

the Trustee shall, based on the timeline set out in the relevant Participation Agreement, either, if applicable, transfer the Index Securities constituting the Application Basket relevant to the Redemption Application out of the Deposited Property of the relevant Sub-Fund to the Participating Dealer or, if applicable, pay the cash amount equivalent to the Application Basket Value and, where required under the Trust Deed, shall pay any cash amount (with such deductions as are permitted by the Trust Deed) in accordance with and subject to the provisions of the Trust Deed as if the same were a distribution payable to the relevant Participating Dealer.

No Index Security shall be transferred and no cash amount shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any encumbrance for redemption by such time on the Settlement Day, as set out in the relevant Participation Agreement.

Payment will be made within 7 Business Days after the receipt and acceptance of the Redemption Application unless the realisation of Units has been suspended in accordance with paragraph 17 "Suspension of Dealings".

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 in making a cash Redemption Application based on one Application Unit of 50,000 Units and a notional Redemption Value per Unit of US\$1.0000 minus Duties and Charges of US\$50 (purely for illustration purpose) and the Transaction Fee of US\$500.

(50,000 Units	x	US\$1.0000)	-	US\$50	-	US\$500	=	US\$49,450
Number of 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 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 for details on all additional fees and charges payable by investors.*

**13.8 Cancellation of Redemption Application of Units and Extension of Settlement Period (applicable to Participating Dealers only)**

In the event that Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing, and subject to the Participation Agreement:

- (a) the Manager may charge the relevant Participating Dealer an Application Cancellation Fee;
- (b) the Manager may at its discretion require the Participating Dealer to pay to the account of the Sub-Fund, in respect of each Unit so cancelled 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 the Participating Dealer had, on the final day permitted for delivery of the Units which are the subject of the Redemption Application, made a Creation Application in accordance with the Trust Deed plus any other amount as the Manager reasonably determines as representing any charges, expenses and losses suffered by the Sub-Fund as a result of such cancellation;
- (c) the Transaction Fee, the Extension Fee (if applicable) and/or Duties and Charges in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) to the Sub-Fund; and
- (d) no previous valuations of the Deposited Property shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Subject always to the Participation Agreement, the Manager, with the 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 any Extension Fee to the Sub-Fund) as the Manager with the approval of the Trustee may determine, but in any event not later than a date more than one month from the receipt of an effective Redemption Application unless the Market(s) in which a substantial portion of investments of the relevant

Sub-Fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable. In such case, subject to all applicable legal and regulatory requirements, payments may be delayed but the extended time frame for the payment of the redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant Market(s).

The Manager may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the amount of the Transaction Fee it charges (but not as between different Participating Dealers). Subject always to the Participation Agreement, 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 Creation Application(s)) to the Sub-Fund.

### **13.9 Deferral of Redemption Applications (applicable to Participating Dealers only)**

In the event that Redemption Applications are received for the redemption of Units representing in aggregate more than ten per cent (or such higher percentage as the Manager may determine in respect of the Sub-Fund(s)) of the total number of Units in a Sub-Fund then in issue, the Manager may direct the Trustee in writing to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to ten per cent (or such higher percentage as the Manager may determine in respect of a Sub-Fund) of the Units in the Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed ten per cent (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the Units in the relevant Sub-Fund then in issue) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

### **13.10 Issue Price and Redemption Value (applicable to Participating Dealers only)**

The Issue Price of Units, created and issued pursuant to a Creation Application, shall be the Net Asset Value per Unit truncated to four decimal places or to such other truncation or rounding as the Manager may from time to time determine with the approval of the Trustee.

The Manager may change the method of determining the Issue Price of a Unit, subject to the prior approval of the Trustee, and the Manager shall arrange for such change to be announced on SGXNET.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit truncated to four decimal places or to such other truncation or rounding as the Manager may from time to time determine with the approval of the Trustee.

The Manager may change the method of determining the Redemption Value of a Unit, subject to the prior approval of the Trustee, and the Manager shall arrange for such change to be announced on SGXNET.

## **14. 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 relevant 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 Application or Redemption Application to consider the default and the changes to the terms.

## **15. NO CERTIFICATES**

Certificates will not be issued in respect of Units in the Sub-Fund(s). 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 Holder 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).

## **16. DETERMINATION OF NET ASSET VALUE**

The Net Asset Value of each Sub-Fund will be determined by the Fund Administrator as at each Valuation Point applicable to the relevant Sub-Fund, which may be different from the close of any Market, by calculating the value of the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

Set out below is a summary of how the assets of the relevant Sub-Fund are valued, subject to the provisions of the Code:

- (a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price or last known transacted price on the relevant Market, or, if there be no such official closing price or last known transacted price, the value shall be calculated by reference to the last traded price on a Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the relevant price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) 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 traded prices as the case may be;
- (b) the value of each interest in any unlisted mutual fund corporation or Unit Trust shall be the latest available net asset value per share or unit in such mutual fund corporation or Unit Trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;
- (c) except as provided for in paragraph (a)(iii) or (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may at any time in consultation with the Trustee and shall at such times or at such intervals as the Trustee shall request cause a revaluation to be made by a professional person approved by the Manager as qualified to value such investments (which may, if the Trustee agrees, be the Manager);

- (d) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager in consultation with the Trustee, any adjustment should be made to reflect the value thereof; and
- (e) notwithstanding the foregoing, the Manager in consultation with the Trustee may adjust the value of any investment if, having regard to relevant circumstances, it determines that such adjustment is more appropriate to fairly reflect the value of the investment.

The Fund Administrator will perform any currency conversion at the rates which the Manager deems appropriate from time to time.

The above is a summary of the key provisions of the Trust Deed with regard to how the various assets of the relevant Sub-Fund are valued.

Any changes by the Manager to the method of determining the Net Asset Value as provided in Schedule 3 of the Trust Deed will require the prior written approval of the Trustee, the Trustee shall determine if the Holders should be informed of any such change. To the extent that Holders are to be informed of such change, this will be made via an announcement on SGXNET.

## **17. SUSPENSION OF DEALINGS**

Subject to the provisions of the Code, the Manager shall, after consultation with the Trustee, have the right to suspend the creation and/or redemption of Units and/or delay the payment of any monies and transfer of any Securities in respect of any Redemption Application in the following circumstances:

- (a) during any period when trading on the SGX-ST or any other Recognised Stock Exchange is closed;
- (b) during any period when trading on the SGX-ST or any other Recognised Stock Exchange is restricted or suspended;
- (c) during any period when a Market on which a Security (that is a component of the Index for the relevant Sub-Fund) has its primary listing, or the official clearing and settlement depository (if any) of such Market, is closed;
- (d) during any period when dealing on a Market on which a Security (that is a component of the Index for the relevant Sub-Fund) has its primary listing is restricted or suspended;
- (e) during any period when, in the opinion of the Manager, settlement or clearing of Securities in the official clearing and settlement depository (if any) of such Market is disrupted;
- (f) during 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 relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Holders of the relevant Sub-Fund;
- (g) during any period when the Index for the relevant Sub-Fund is not compiled or published;
- (h) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant Class or when for any other reason the Value of any Securities or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

- (i) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended pursuant to the Trust Deed;
- (j) any 48 hours period (or such longer period as the Manager and the Trustee may agree) prior to the date of any meeting of Holders, or any adjourned meeting thereof;
- (k) in the case of a Feeder Fund, any period when the market on which the relevant Underlying Fund is listed, or the official clearing and settlement depository (if any) of such market, is closed, and such closure has an adverse impact on dealings in the primary market of the Feeder Fund;
- (l) in the case of a Feeder Fund, any period when dealings on the market on which the relevant Underlying Fund is listed, are restricted or suspended, and such restriction or suspension has an adverse impact on dealings in the primary market of the Feeder Fund;
- (m) in respect of a Feeder Fund, during a period when dealings in or trading of the relevant Underlying Fund is suspended;
- (n) during any period when the business operations of the Manager, the Trustee, the Custodian or any agent of the Trustee on which the Trustee relies to effect the creation/redemption of Units in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God;
- (o) during any period when the market value or fair value of a material portion of the relevant Sub-Fund's Deposited Property cannot be determined;
- (p) during any period when the dealing of Units is suspended pursuant to any order or direction issued by the SGX-ST or MAS; or
- (q) during any circumstances as may be required under the provisions of the Code.

Subject to the provisions of the Code, a suspension of the determination of the Net Asset Value shall terminate upon the earlier of:

- (a) the Manager declaring the suspension is at an end; or
- (b) the first Dealing Day on which (i) the condition giving rise to the suspension has ceased to exist and (ii) no other condition under which suspension is authorised under the Trust Deed exists.

Whenever the Manager declares such a suspension, it shall as soon as practicable after any such declaration and at least once a month during the period of such suspension, 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.

No Units will be created or issued during any period of suspension. The Manager may at any time by notice to the Trustee and the MAS, suspend the issue of Units if, as a result of the issue of such Units, a Sub-Fund would breach a provision of the Code Guidelines, and the relevant provisions relating to suspension of the right of Holders to redeem Units shall also apply in accordance with the provisions of the Trust Deed.

## **18. DISTRIBUTION POLICY**

The Manager will adopt a distribution policy for each Sub-Fund as set out in the relevant Appendix.

The Manager may make distributions out of net distributable income and/or the capital of the Sub-Fund. Distributions (whether out of income and/or capital) may have the effect of lowering the Net Asset Value of the Sub-Fund and this will be reflected in the Redemption Value of the Units. Moreover, distributions out of capital may amount to a reduction of a Holder's original investment. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

Distributions will only be paid to the extent that they are available for distribution pursuant to the Trust Deed. Distributions are not guaranteed and are subject at all times to the Manager's discretion.

On a distribution, the Trustee, in accordance with the instructions of the Manager, will allocate the amount available for distribution and will pay such amount to the CDP who will in turn allocate and make the necessary payment to the Holders based on the number of Units held by each Holder 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 S\$0.01 per Unit (unless otherwise described in the relevant Appendix for a Sub-Fund). Subject to the Trust Deed, any unclaimed distributions payable to a Holder may at the expiration of 6 years from the date upon which the same became payable paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

## **19. FEES, CHARGES AND EXPENSES**

### **19.1 Management Fee**

The Manager is entitled to receive a management fee for each Sub-Fund, accrued daily and calculated as at each Dealing Day and payable monthly in arrears. The current management fee percentage in respect of each Sub-Fund is set out in the relevant Appendix.

Under the terms of the Trust Deed, the Manager may, on giving not less than one month's notice to the Trustee and the Holders of the relevant Sub-Fund, increase the rate of the management fee payable up to the maximum rate as permitted by the Trust Deed without the sanction of an extraordinary resolution.

### **19.2 General Expenses**

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

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

The cost and expenses for the preparation of this Prospectus and any supplementary, replacement or updated prospectus, trust deed and any deeds supplemental or amendment and restating deeds, product highlights sheets, reports and/or other statements to Holders will be borne by the relevant Sub-Fund(s).

The costs of establishing the CGS Fullgoal Vietnam 30 Sector Cap ETF (which shall not exceed S\$250,000) may be paid out of the Deposited Property of the CGS Fullgoal Vietnam 30 Sector Cap ETF and may be amortised over a period of up to 5 years from the date of the first issue of its Units.



### 19.3 Fees and Charges Payable by Participating Dealers

The fees and charges payable by Participating Dealers in respect of a Sub-Fund are summarised as follows:

<b>Creation of Units:</b>	
Transaction Fee <sup>2</sup>	As specified in the relevant Appendix of a Sub-Fund.
Application Cancellation Fee <sup>3</sup>	As specified in the relevant Appendix of a Sub-Fund.
Extension Fee <sup>4</sup>	As specified in the relevant Appendix of a Sub-Fund.
<b>Redemption of Units:</b>	
Transaction Fee	As specified in the relevant Appendix of a Sub-Fund.
Application Cancellation Fee <sup>3</sup>	As specified in the relevant Appendix of a Sub-Fund.
Extension Fee <sup>4</sup>	As specified in the relevant Appendix of a Sub-Fund.

The above fees and charges payable by the Participating Dealers may be passed on to the end investors (those who choose to subscribe and/or redeem Units through a Participating Dealer) in full or in part, depending on the relevant Participating Dealer.

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

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

Subscription/Redemption fee	Nil
Brokerage	Market rates. Investors will have to bear brokerage fees charged by their stockbrokers.
Clearing fee and SGX access fee	Currently the clearing fee and SGX access fee for trading Units on the SGX-ST are 0.0325% and 0.0075% of the transaction value <sup>#</sup> respectively and subject to the prevailing goods and services tax ("GST").

<sup>#</sup> Subject to change at SGX-ST's discretion.

### 19.5 Fees and Charges Payable by a Sub-Fund

The fees and charges payable by a Sub-Fund are summarised as follows and are subject to the fee arrangement as specified in the relevant Appendix of a Sub-Fund:

<sup>2</sup> A Transaction Fee (which includes the transaction charges and out-of-pocket expenses) is payable by a Participating Dealer to the Sub-Fund.

<sup>3</sup> The Application Cancellation Fee is payable by a Participating Dealer to the Sub-Fund on each occasion that a Creation or Redemption Application is cancelled by the Participating Dealer.

<sup>4</sup> The Extension Fee is payable by a Participating Dealer to the Sub-Fund on each occasion that the Manager, upon a Participating Dealer's request, grants the Participating Dealer an extended settlement in respect of an Application.

Management Fee	As specified in the relevant Appendix of a Sub-Fund.
Trustee's Fee	As specified in the relevant Appendix of a Sub-Fund.
Custodian Fee	The Custodian Fee may exceed 0.10% per annum of the Net Asset Value of a Sub-Fund depending on, amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs and out-of-pocket expenses. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% per annum of the Net Asset Value of a Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of a Sub-Fund.

## 20. REPORTS AND ACCOUNTS

The financial year-end of the Trust is 31 December every year. Audited accounts and the annual report will be prepared and made available on the Manager's website at <https://www.cgs-cimb.com.sg/en/home> within three months of each financial year-end (unless otherwise waived or permitted by the MAS). Semi-annual unaudited accounts and the semi-annual report will be prepared and made available on the Manager's website within two months of the end of the period covered by the relevant accounts and report (unless otherwise waived or permitted by the MAS). Printed copies of the audited accounts and annual report, semi-annual unaudited accounts and the semi-annual reports are not sent to Holders. Holders may obtain electronic copies of these accounts and reports from the Manager's website. However, Holders who would like to receive printed copies of the accounts and reports may submit the relevant request to the Manager. The Trustee will also make available, or cause to be made available, hardcopies of the accounts and reports to any Holder who requests for them within 2 weeks of any request from such Holder (or such other period as may be permitted by the MAS). The contents of the reports will comply with the requirements of the Code and the Listing Rules.

Copies of the audited accounts, the annual reports, the semi-annual unaudited accounts and the semi-annual reports (once available) will also be made available on the SGXNET.

## 21. ANNOUNCEMENT OF MATERIAL INFORMATION

The Manager will arrange for all material information that affects the Trust to be announced on SGXNET and on the Manager's website.

## 22. TRUST DEED

The Trust is established under Singapore law by the Trust Deed made between the Manager and the Trustee. All Holders 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, the provisions of the Trust Deed shall prevail. 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. Holders 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.

## **23. MODIFICATION OF TRUST DEED**

The Trustee and the Manager may by deed supplemental or restated to the Trust Deed jointly modify, alter or add to the provisions of the Trust Deed provided that in the opinion of the Trustee such modification, alteration or addition (i) does not materially prejudice the interests of Holders in any Sub-Fund and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Holders in the relevant Sub-Fund, or (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law) or (iii) is to be made to remove obsolete provisions or to correct manifest errors. In all other cases modifications require the sanction of an extraordinary resolution of the Holders affected passed at separate meetings of the Holders of Units in each Sub-Fund affected by such modification, alteration or addition provided that where, in the opinion of the Manager and the Trustee, all Holders of Units in all Sub-Funds are affected in the same way, then such sanctions may be by way of an extraordinary resolution passed at a meeting of Holders which may be attended by the Holders of Units in all of the Sub-Funds.

## **24. VOTING RIGHTS**

The Trustee or the Manager may (and the Manager shall at the request in writing of Holders together registered as holding not less than one-tenth in value of the Units in issue) at any time convene a meeting of Holders, of Units of any Class or Sub-Fund at such time and place as it may think fit.

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 Trust or any Sub-Fund at any time. Such amendments to the Trust Deed must be passed by a 75% majority of the votes cast. For meetings to pass ordinary resolutions, Holders will be given at least 14 calendar days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting. For meetings to pass extraordinary resolutions, Holders will be given at least 21 calendar days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of such meeting.

The Trustee, the Manager, the Custodian and their Connected Persons are prohibited from voting their beneficially owned Units at, or counted in the quorum for, the meeting at which they have a material interest (including, for the avoidance of doubt, interested party transactions (as defined in the Listing Rules and/or the listing rules of other Recognised Stock Exchange) in the business to be contracted).

In respect of voting rights where the Manager may face a conflict between its own interest and that of the Holders, the Manager shall cause such voting rights to be exercised in consultation with the Trustee.

## **25. RESTRICTIONS ON HOLDERS**

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

The Manager and/or the Trustee shall have power to impose such restrictions as the Manager and/or the Trustee may think necessary for the purpose of ensuring that no Units are acquired or held directly, indirectly or beneficially by:-

- any person in breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed;

- any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which in the opinion of the Manager might result in the Trust or any Sub-Fund, the Trustee or the Manager incurring any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the Manager, the Trustee, the Trust or any Sub-Fund, to any regulatory compliance which the Trust or the relevant Sub-Fund, the Trustee or the Manager might not otherwise have incurred, suffered or been subject to; or
- any person in breach of, or reasonably deemed by the Manager to be in breach of, any applicable anti-money laundering or FATCA or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Trustee, the Registrar or the Manager.

If it shall come to the notice of the Manager or the Trustee that any Units are owned directly, indirectly or beneficially by any person in contravention of any such restrictions as are referred to in the Trust Deed, the Manager or the Trustee may give notice to such person requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or to request in writing the redemption of such Units in accordance with the provisions of the Trust Deed. If any person upon whom such a notice is served pursuant to the Trust Deed does not within 30 days after such notice transfer such Units as aforesaid or establish to the satisfaction of the Manager or the Trustee (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiration of 30 days after such notice to have requested in writing the redemption of all such Units pursuant to the provisions of the Trust Deed.

A person who becomes aware that he is holding or owning Units in contravention of any such restrictions as are referred to in the Trust Deed shall forthwith either transfer all such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or request in writing the redemption of all such Units pursuant to the provisions of the Trust Deed.

The Manager or the Trustee may at any time and from to time, by notice in writing, call upon any person holding directly or beneficially any Units to provide to the Manager or the Trustee such information and evidence as they shall require upon any matter concerned with or in relation to such person's holding of or interest in, or the ultimate beneficial owners of (or intermediate holders or owners of), the Units. The exercise by the Manager or the Trustee of the powers conferred by Clauses 3.4, 3.5, 3.6 or 7.23 of the Trust Deed shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of ownership of Units by any person or that the true ownership of any Units was otherwise than appeared to the Manager or the Trustee at the relevant date, provided that the said powers shall have been exercised in good faith. Save where the Manager or the Trustee is found by a court of competent jurisdiction that it has been fraudulent, in wilful default or negligent, the Manager or the Trustee shall have no liability whatsoever to any person for any special, direct, indirect, consequential or any other damages (including lost profits) on account of anything done or omitted by the Manager or Trustee in exercising its duties and right to restrict or prevent ownership of Units by an Unauthorised US Person or any person falling under Clause 3.4 of the Trust Deed.

## **26. TRANSFER OF UNITS**

Units held by Holders may be transferred by an instrument in writing and must be signed (and, in the case of a body corporate, signed on behalf of or sealed) by the transferor and the transferee. The transferor shall be deemed to remain the Holder of the Units transferred until such time as the name of the transferee is entered

in the Register pursuant to the transfer. All charges in relation to transfers, as may be imposed by the Trustee shall be borne by the Holder who is the transferor.

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.

## **27. CONFLICTS OF INTEREST**

The following inherent or potential conflicts of interest should be considered by prospective investors before investing in the Trust and/or Sub-Fund(s). Where any potential conflict of interest arises, the Manager will endeavour to ensure that any such conflict is resolved in a fair and equitable manner and in the best interest of the Trust and/or Sub-Fund(s) and its Holders.

- (a) The Manager, the Investment Advisor and other service providers or their respective agents, delegates or associated parties may engage in or possess an interest in other business ventures of every kind and description, including (i) investments for their own account in securities held by the Trust and/or Sub-Fund from time to time (save and except for the Manager); or (ii) investment advisory or supervisory services with respect to securities or other types of financial investments. Each of the parties will ensure that the performance of their respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the parties will endeavour to ensure that it is resolved fairly and equitably and in the interest of the Trust or the relevant Sub-Fund(s). Moreover, each of them will devote to the Trust or the relevant Sub-Fund(s), as the case may be, only so much of their time as they deem necessary or appropriate in connection with the activities of the Trust or the relevant Sub-Fund(s) (as the case may be).
- (b) The Manager and the Investment Advisor may from time to time act as administrator, registrar, secretary, custodian, cash custodian, manager or investment adviser or carry out 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 Trust or the relevant Sub-Fund(s). Any of them may, in the course of business, have potential conflicts of interest with the Trust or the relevant Sub-Fund(s). Each will, at all times give due regard in such event to its obligations to the Trust and the relevant Sub-Fund(s) and will endeavour to ensure that such conflicts are resolved fairly. To the extent that there are similar investment objectives, the Manager will, as far as practicable, endeavour to have the same Securities holdings for such overlapping areas with such Securities allocated on a fair and equitable basis among the relevant funds.
- (c) The Manager and their respective affiliates, delegates and their key personnel may, in certain circumstances, take positions in accounts of other clients opposite to those taken in relation to a Sub-Fund and/or take positions in accounts of other clients which involve conflicts or potential conflicts with positions taken by such Sub-Fund. These positions could adversely affect the performance of investments held by a Sub-Fund. Subject to the investment strategy adopted by a Sub-Fund as specified in the relevant Appendix, the Manager may also decline to make an investment for a Sub-Fund out of concern that such investment might harm another client of the Manager or any of their respective affiliates or key personnel. Nonetheless in the context of a Sub-Fund which adopts a Representative Sampling Strategy, such Sub-Fund may not necessarily have to invest into the underlying constituents of the Index as it may still achieve its investment objective and investment strategy by holding Securities that need not be constituents of the Index.

- (d) To the extent permitted by applicable law, the Manager and/or any of its affiliates or delegates may have a monetary or non-monetary interest in the transactions and/or a potential conflict of interest including the fact that the Manager and/or its affiliates or delegates may provide services to other parties in the same transactions and in turn earn profits from such services, including without limitation, investment management and advisory services, brokerage services, marketing services, providing research reports, consultancy services, acting in the same transactions as agent for more than one customer, and none of the Manager and its affiliates and delegates shall be liable to account for any profits earned from any aforementioned transactions, provided that such transactions are conducted on an arm's length basis.
- (e) Without limiting the generality of the forgoing paragraph (d), to the extent permitted by applicable law and the Code, the Manager may enter into portfolio transactions for or with the Trust and/or Sub-Fund either as agent, in which case it may receive and retain brokerage commissions, or as principal with the Trust and/or Sub-Fund provided that such transactions are carried out as if effected on normal commercial terms negotiated on an arm's length basis, consistent with best execution standards and subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.
- (f) The Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it is entitled to receive from the Trust or a Sub-Fund. The Manager and the Investment Advisor and any person connected with it, including any shareholder, director, officer and employee of the Manager or its associated companies, may invest in a Sub-Fund, and the Manager may allow to any such person a reduction or rebate of any fees to which the Manager is entitled.
- (g) The Manager may manage other funds and/or accounts and will remain free to provide such services to additional funds and accounts, including for their own accounts, in the future. The Manager may vary the investment strategies employed on behalf of a Sub-Fund from those used for itself and/or for other clients. No assurance is given that the results of the trading by the Manager on behalf of a Sub-Fund will be similar to that of other funds and/or accounts concurrently managed by the Manager. It is possible that such funds and accounts and any additional funds and accounts to which the Manager in the future provides such services may compete with a Sub-Fund for the same or similar positions in the markets. Where the Manager is managing or advising other funds or accounts with similar investment policies to a Sub-Fund, it will ensure that appropriate investment opportunities are allocated on a fair and equitable basis between the Sub-Fund and such other funds or accounts.
- (h) The Fund Administrator, the Custodian and/or their respective Connected Persons may contract with or enter into any financial banking or other transaction with the Trust and/or Sub-Fund, any Holder or any company or body whose assets are held by or on behalf of the Sub-Fund. The Fund Administrator, the Custodian and/or their respective Connected Persons may deal, as principal or agent, with the Trust and/or Sub-Fund if such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. In addition, any of the foregoing may own Units and hold, dispose or otherwise deal with the Units as well as hold or deal in any investments notwithstanding that similar investments may be held by or on behalf of the Sub-Fund. The Fund Administrator, the Custodian and their respective Connected Persons shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such transaction.
- (i) The Manager and its Connected Persons may, from time to time, acting on an arm's length basis, receive fees from portfolio companies for structuring, negotiating documentation, monitoring and

administering of the facilities and securities of the portfolio companies. Connected Persons of the Manager may also be engaged to provide financial, banking or brokerage services to the Sub-Funds and make profits from these activities. Such services, where provided and such activities, where entered into, by Connected Persons of the Manager or associates of the Trustee, will be on an arm's length basis.

- (j) Each Sub-Fund bears its own expenses. However, common expenses will be incurred on behalf of a Sub-Fund and one or more other clients. The Manager will seek to allocate those common expenses among the Sub-Fund(s) and the other clients in a manner that is fair and equitable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., conflicts relating to different expense arrangements with certain clients). The Manager may use a variety of methods to allocate common expenses among the Sub-Fund(s) and the other clients, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Sub-Fund(s) and the other clients from a product or service, or other relevant factors. Nonetheless, because the Manager's expense allocations often depend on inherently subjective determinations, the portion of a common expense that the Manager allocates to the Sub-Fund(s) for a particular product or service may not reflect the relative benefit derived by such Sub-Fund(s) from that product or service in any particular instance.
- (k) The Custodian (a related party to the Trustee) is presently providing fund administration, registrar/transfer agency and valuation services to the Sub-Funds. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property of the relevant Sub-Fund under the provisions of the Trust Deed.

The Manager and the Trustee will conduct all transactions with or for the Sub-Funds on an arm's length basis.

The Manager and/or the Trustee or each of its related entities, officers and employees may own, hold, dispose or otherwise deal with Units in any Sub-Fund for their respective individual accounts as though the Manager and/or the Trustee were not a party to the Trust Deed. In the event of any conflict of interest arising as a result of such dealing, the Manager and the Trustee, following consultation with each other, will resolve such conflict in a just and equitable manner as the Manager and the Trustee deem fit. Such dealings, where entered into, will be on an arm's length basis.

In the event of a conflict of interest, the Trustee will endeavour to resolve such conflict quickly and in the interest of the Holders in an equitable manner. Associates of the Trustee (the "Trustee's Associates") may be engaged to provide financial, banking and brokerage services to a Sub-Fund. Such services where provided will be on an arm's length basis and the Trustee's Associates shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such services.

## **28. REMOVAL OF THE MANAGER**

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

- (a) the Manager shall go 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 and shall not be discharged within 60 days or if a liquidator or judicial manager is appointed in respect of the Manager;

- (b) the Manager ceases to carry on business;
- (c) the Trustee shall form the opinion for good and sufficient reason, and shall so state in writing to the Manager that a change of manager is desirable in the interests of the Holders, provided that if the Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act 2001, before three arbitrators, the first of whom shall be appointed by the Manager, the second of whom shall be appointed by the Trustee and the third of whom shall be jointly appointed by the Manager and the Trustee (failing which appointment, the third arbitrator shall be appointed by the President of the Court of Arbitration of the Singapore International Arbitration Centre) and any decision made pursuant thereto shall be binding upon the Manager, Trustee and the Holders;
- (d) the Holders (for which purpose Units held or deemed to be held by the Manager shall not be included) by extraordinary resolution duly passed at a meeting of Holders, shall so decide; or
- (e) the MAS directs the Trustee to remove the Manager,

the Trustee may, by notice in writing to the Manager remove the Manager from office and upon service of such notice, the Manager shall cease to be the manager of the Trust.

## **29. RETIREMENT OF THE MANAGER**

The Manager shall have the power to retire in favour of another manager considered by the Trustee to be suitably qualified, upon giving not less than 120 days' written notice to the Trustee and to the Holders and subject to such person entering into a deed or deeds providing for the matters mentioned under the Trust Deed. 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 Holders to convene a meeting of Holders to consider an extraordinary resolution to approve some other person considered by the Trustee to be suitably qualified to act as manager of the Trust.

Any change to the manager of the Trust will be announced forthwith on the SGXNET and on the Manager's website.

## **30. REMOVAL OF THE TRUSTEE**

The Manager may by notice in writing to the Trustee remove the Trustee from office if any of the following shall occur, namely:

- (a) the Trustee shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Manager) or if a receiver is appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Trustee;
- (b) the Trustee ceases to carry on business;
- (c) the Trustee fails or neglects after reasonable notice in writing from the Manager to carry out or satisfy any material obligations that may be imposed on the Trustee under the Trust Deed, and the Manager is of the opinion and states so in writing to the Trustee that a change of the Trustee is desirable and in the best interests of Holders as a whole;



- (d) the Holders (for which purpose Units held or deemed to be held by the Trustee shall not be regarded as being outstanding) by extraordinary resolution duly passed at a meeting of Holders, shall so decide; or
- (e) the MAS directs that the Trustee be removed.

### **31. RETIREMENT OF THE TRUSTEE**

Under the terms of the Trust Deed, the Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. Notwithstanding any other provisions of the Trust Deed, the Trustee may retire from office by giving not less than 120 days' written notice (or 30 days' written notice in the event of liquidation of the Manager, or a material breach by the Manager of its obligations under the Trust Deed) to the Manager. In the event of the Trustee desiring to retire the Manager shall find within 120 days (or, as the case may be, 30 days) from the date the Trustee notifies the Manager of such desire a new trustee to act as trustee and the Manager shall by deed supplemental hereto appoint such new trustee to be the trustee in the place of the retiring Trustee. If within a period of 120 days (or, as the case may be, 30 days) after the date on which the Trustee expresses in writing to the Manager its desire to retire, the Manager shall have failed to appoint a new trustee, the Trustee shall be entitled (but not obliged) to appoint a new trustee on the same basis as aforesaid or to terminate the Trust in accordance with the Trust Deed. The Trustee may only retire where adequate arrangements reasonably acceptable to the Manager have been made (i) for another trustee approved by the MAS to assume responsibility for the administration of the Trust, (ii) for another trustee to become a party to the Trust Deed, (iii) for the Trustee's interest in the Deposited Property to be transferred to that trustee (including all books, documents and records), and (iv) for the Trustee to retire at the same time as the new trustee replaces it. The Manager shall as soon as practicable after the date when a change of trustee is effective give notice to the Holders of such change of trustee specifying the name and the address of the office of the new trustee in accordance with all applicable legal and regulatory requirements.

### **32. LIABILITY AND INDEMNITY OF MANAGER, TRUSTEE AND REGISTRAR**

*Please note that the following paragraphs are extracts from the Trust Deed and investors should refer to the Trust Deed for full details on the clauses relating to exemptions from liability (as well as indemnities) provided to the Trustee and the Manager pursuant to the Trust Deed.*

None of the Trustee, the Manager or the Registrar or each of their duly appointed agents or delegates (hereinafter referred to as "**appointees**" for purposes of this paragraph 32 "Liability and Indemnity of Trustee, Manager and Registrar") 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 appointees shall be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any certificate or to any instrument of 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 mail, facsimile, electronic mail or otherwise) 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 or relying 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 mail, facsimile, electronic transmission or otherwise.

The Trustee, the Manager and each of their appointees may rely upon the established practice and rulings

of any Recognised Stock Exchange 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 appointees shall be responsible for acting upon any resolution purporting to have been passed at any meeting of Holders in a particular Sub-Fund or (as the case may be) of all the Holders of Units, 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 Holders in that Sub-Fund, or (as the case may be) all the Holders of Units.

None of the Trustee, the Manager or the Registrar or each of their appointees shall incur any liability to the Holders 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 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 appointees 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 appointees 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 (i) exempt either the Trustee or the Manager or each of their appointees (as the case may be) from or against any liability in respect of, or responsibility for, losses incurred to Holders through the insolvency of or any act or omission or due to its fraud, wilful default or gross negligence or any liability to Holders imposed by virtue of any Singapore law in relation to its duties nor (ii) indemnify either the Trustee or the Manager (as the case may be) against such liability by Holders or at Holders' expense.

The Trustee and the Manager may act upon any advice of or information obtained from any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers either of the Trustee or of the Manager and shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information.

Any advice, instruction or information may be obtained or sent by letter, telegram, facsimile transmission or electronic mail and neither the Trustee nor the Manager shall be liable for acting on any advice, instruction or information purported to be conveyed by any such letter, facsimile transmission or electronic mail notwithstanding that the same shall contain some error or shall not be authentic.

None of the Trustee, the Manager or the Registrar or each of their appointees 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 to the terms of the Trust Deed, the Manager and the Trustee and any of their appointees shall be indemnified out of the Deposited Property against any action, costs, claims, damages, liabilities, expenses or demands (other than those arising out of any liability or obligation to the Holders imposed on the Trustee or Manager pursuant to the laws of Singapore or the proper law of the Trust Deed (if different)) to which it

may be put as trustee or manager (as the case may be) and for this purpose shall have recourse to the assets of the relevant Sub-Fund in respect of which such action, costs, claims, damages, liabilities, expenses or demands have been made or arose out of or, where such action, costs, claims, damages, liabilities, expenses or demands relate to the Trust as a whole, the Deposited Property or any part thereof. This indemnity, subject to the Trust Deed, shall survive the retirement, removal or discharge of the Trustee or the Manager. For the purposes of such indemnity and reimbursement, the Trustee or the Manager may from time to time realise such property of the Deposited Property in such manner and at such time as the Trustee or the Manager thinks fit upon prior written notice to the Manager or the Trustee, as appropriate.

For the avoidance of doubt, any reference to the Trustee in this paragraph 32 shall be construed to mean the Trustee in its own capacity and, where appropriate, in its capacity as the Registrar of the Trust.

The Trustee or the Manager or the Registrar or any custodian appointed by the Trustee or any Connected Person, employee or agent of those respective parties may contract or enter into any financial, banking or other transaction with one another or with any Holder or any company or body any of whose shares or Securities, financial instruments or investment products form part of any Sub-Fund or may be interested in any such contract or transaction provided that such contract or transaction shall be conducted at arm's length, and the Trustee, the Manager, the Registrar, the Custodian and such Connected Person, employee or agent of those respective parties shall not be in any way liable to account to the Trust or any Sub-Fund or the Holders or any of them for any profit or benefit made or derived thereby or in connection therewith.

The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action or suit in respect of the provisions of the Trust Deed or in respect of any Sub-Fund or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability unless the Manager shall so request in writing and the Trustee shall be indemnified out of the Deposited Property of the relevant Sub-Fund to its satisfaction against any costs or expenses in connection with the Trustee instituting, acknowledging the service of, appearing, prosecuting or defending such action or suits.

Provided that the Trustee has exercised reasonable care and diligence in the selection, appointment and ongoing monitoring of any agent, nominee, custodian, co-custodian, sub-custodian or delegate (each a "**Correspondent**") (having regard to the market in which the relevant Correspondent is located), the Trustee shall not be liable for any loss to the Trust (including any Sub-Fund) incurred by reason of any act or omission of, or liquidation, insolvency or bankruptcy of any Correspondent, save where such loss arises directly as a result of the fraud, wilful default or gross negligence of the Trustee.

Notwithstanding any other provision of the Trust Deed, under no circumstances shall the Trustee have any liability:

- (a) for any loss, damage, claim, cost or expense resulting from or caused by the liquidation, bankruptcy, insolvency, administration, act or omission of, any prime broker or central securities depository or clearing system or settlement system or clearing system depository or any other person with which any authorised investments and other property or assets acquired in relation to any Sub-Fund are deposited;
- (b) for any loss, damage, claim, cost or expense resulting from or caused by the authorised investments and other property or assets acquired in relation to any Sub-Fund which have been placed with any portfolio managers, futures commission merchants, bankers, lenders, agents, nominees, brokers, prime brokers or other intermediaries upon the instructions of the Manager or the Manager's delegates;

- (c) for any loss, damage, claim, cost or expense resulting from or caused by the authorised investments and other property or assets acquired in relation to any Sub-Fund not registered in the name of the Trustee or its nominee; and
- (d) for any loss, damage, claim, cost or expense resulting from or caused by the insolvency of or act or omission of any Correspondent not appointed by it.

Subject to the terms of the Trust Deed, the Trustee and the Manager shall not be liable to any person for any indirect or consequential loss, loss of business, goodwill, opportunity or profit or any special or punitive damages of any kind whatsoever; in each case however caused or arising and whether or not foreseeable, even if advised of the possibility of such loss or damage.

In the absence of fraud, wilful default or gross negligence by the Manager or the Trustee, neither of them shall incur any liability by reason of any loss which any Holder may suffer by reason of any depletion in the Net Asset Value of any Sub-Fund which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange or otherwise and (save as otherwise expressly provided in the Trust Deed) the Manager and the Trustee and its duly appointed agents shall be entitled to be indemnified out of and have recourse to the relevant Sub-Fund in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the arrangements referred to in the Trust Deed.

### **33. EXCHANGE CLEARANCE AND SETTLEMENT**

For the purpose of trading on the SGX-ST, a board lot for the Units will comprise such number of Units as stated in the relevant Appendix.

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

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

#### **33.1 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 Holders 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 [www.sgx.com](http://www.sgx.com) 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 will be carried out in the currency(ies) as specified in the relevant Appendix, 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 second Business Day following the transaction date (or such other period as may be determined by CDP). 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.

### **33.2 Clearing Fees**

A clearing fee and an SGX access fee for the trading of Units on the SGX-ST is payable at the rate of 0.0325% and 0.0075% of the transaction value respectively (or such other rate of clearing fee and SGX access fee as the SGX-ST may determine from time to time). The clearing fee, access fee, instrument of transfer, deposit fee and unit withdrawal fee may be subject to the prevailing GST.

### **33.3 Dual Currency Trading**

A Sub-Fund may be traded in different currency denominations on the SGX-ST, as specified in the relevant Appendix. Investors can buy and/or sell Units in a currency specified in the relevant Appendix, regardless of the currency in which it was first bought and/or sold.

Unit holdings will be consolidated in investors' CDP accounts so that the total number of Units can be viewed at a glance, for example, 1,000 US\$-denominated Units and 2,000 S\$-denominated Units will be reflected as 3,000 Units in an investor's CDP account.

In most cases, the traded prices in the two currency counters should theoretically be equivalent or close to each other, taking into consideration the prevailing foreign exchange rate. However, in certain cases, due to market supply and demand factors in the respective counters and the market activity of the market makers, the price relationship and difference between the two counters might not necessarily be the foreign exchange rate between both counters.

Investors should refer to the SGX website at [www.sgx.com](http://www.sgx.com) for more information on dual currency trading.

## **34. TERMINATION**

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

The Trust may be terminated by the Trustee giving prior written notice to the Manager and the Holders if any of the following events shall occur, namely:

- (a) 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 and shall not be discharged within 60 days or if a liquidator or judicial manager is appointed in respect of the Manager;
- (b) the Manager ceases to carry on business;
- (c) the Trustee forms the opinion for good and sufficient reason and shall so state in writing to the Manager that the Manager is incapable of performing its duties under the Trust Deed satisfactorily;
- (d) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal, impracticable or inadvisable in the good faith opinion of the Trustee to continue;
- (e) the Trustee shall be unable to find a person acceptable to the MAS to act as the new manager within 120 days after the retirement or removal of the Manager for the time being pursuant to the Trust Deed;
- (f) the Trustee shall have decided to retire pursuant to the Trust Deed, but after the expiration of 120 days after the Trustee giving notice to the Manager of its desire to retire, the Manager shall be unable to find a suitable person who is willing to act as trustee; or
- (g) the MAS directs the termination of the Trust.

The Trustee may, in its absolute discretion, terminate the Trust under any of the circumstances set out above, by giving three months' prior notice in writing to the Manager, save that the Trustee may terminate the Trust forthwith pursuant to paragraphs (a), (b), (d) and (g) above.

The Trustee may by notice in writing to the Manager, terminate one or more Sub-Funds if:

- (a) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties under the Trust Deed satisfactorily in respect of the relevant Sub-Fund; or
- (b) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal, impracticable or inadvisable in the good faith opinion of the Trustee to continue.

The Trustee may, in its absolute discretion, terminate a Sub-Fund under any of the circumstances set out above, by giving three months' prior notice in writing to the Manager, save that the Trustee may terminate a Sub-Fund forthwith pursuant to paragraph (b) above.

The Trust may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee and the Holders if:

- (a) after one Year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding hereunder shall be less than S\$20 million;
- (b) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal, impracticable or inadvisable in the good faith opinion of the Manager to continue; or

- (c) within a reasonable time and using commercially reasonable endeavours, the Manager shall be unable to find a person acceptable to the Manager to act as the new trustee after deciding to remove the Trustee for the time being pursuant to the Trust Deed.

The Manager may, in its absolute discretion, terminate the Trust under any of the circumstances set out above, by giving three months' prior notice in writing to the Trustee, save that the Manager may terminate the Trust forthwith pursuant to paragraph (b) above.

One or more Sub-Funds may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee if:

- (a) after one Year from the date of establishment of the relevant Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund outstanding hereunder shall be less than S\$20 million;
- (b) any law or regulation shall be passed or amended or any regulatory directive or order is imposed that affects a Sub-Fund and which renders such Sub-Fund illegal, impracticable or inadvisable in the good faith opinion of the Manager to continue;
- (c) in the case where the Manager decides to retire, the Trustee shall be unable to find a person acceptable to the MAS to act as the new manager after the expiration of 120 days from the Manager giving the Trustee notice of its intention to retire pursuant to the Trust Deed;
- (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 Sub-Fund;
- (e) the Units of the relevant Sub-Fund are no longer listed on the SGX-ST or any other Recognised Stock Exchange (as the case may be);
- (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);
- (g) the MAS revokes or withdraws the authorisation of the Sub-Fund under the Securities and Futures Act;
- (h) at any time, the relevant Sub-Fund ceases to have any Participating Dealer;
- (i) the Manager is unable to implement its investment strategy in respect of the relevant Sub-Fund
- (j) at any time, the relevant Sub-Fund ceases to have any designated market maker; or
- (k) an amalgamation, reconstruction, reorganisation, dissolution, liquidation, merger or consolidation occurs in respect of any Underlying Fund corresponding to that Sub-Fund, or there is a change in the managers or investment advisers of any such Underlying Fund.

The Manager may, in its absolute discretion, terminate a Sub-Fund under any of the circumstances set out above, by giving three months' prior notice in writing to the Trustee, save that the Manager may terminate a Sub-Fund forthwith pursuant to paragraphs (b), (e), (f) and (g) above.

The party terminating the Trust or relevant Sub-Fund shall give notice thereof to the Holders and by such notice fix the date at which such termination is to take effect which date shall not be less than three months after the service of such notice (unless otherwise stated). Any such notice to be given to Holders in relation

to the termination of the Trust and/or a Sub-Fund will also be published on the Manager's website and SGXNET.

Further, the Holders may at any time authorise the termination of the Trust and/or a Sub-Fund by extraordinary resolution passed at a duly convened meeting of Holders.

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

- (a) No Participating Dealer may submit a Redemption Application.
- (b) The Manager shall arrange the sale of all investments then comprised in each Sub-Fund being terminated and such sale shall be carried out and completed in such manner and within such period after the termination of the relevant Sub-Fund as the Manager shall consider advisable.
- (c) The Trustee shall from time to time distribute to the Holders in each Sub-Fund being terminated 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 relevant Sub-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 relevant Sub-Fund, the Trustee shall, where possible, distribute to the Holders in each Sub-Fund rateably in accordance with the number of Units held by them respectively the investments available *in specie* at a valuation determined by the Manager (provided that no Holder will be required to accept the distribution to him of any assets *in specie* without his written consent).
- (d) 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.
- (e) 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 each Sub-Fund the amount of which is insufficient to pay S\$0.01 in respect of each Unit.
- (f) The Trustee shall be entitled to retain out of any monies comprised in the Trust or any Sub-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 Trust or the termination thereof or of any Sub-Fund and shall, out of the monies so retained, be indemnified and saved harmless against any such costs, charges, expenses, claims, demands, actions and proceedings.
- (g) Subject to a supplemental deed having been duly executed pursuant to the Trust Deed and in accordance with the provisions of such deed, and paragraph (c) above, the Trustee may distribute the whole or any part of the entitlement of a Holder *in specie* or kind.
- (h) Any unclaimed proceeds or other monies held by the Trustee may at the expiration of 6 years from the date upon which the same became payable be paid into court, subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.



In the event that the Trust or any Sub-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 MAS and the SGX-ST of such termination at least 7 days before the effective date of the termination of the Trust or any Sub-Fund.

## **35. TAXATION**

The following summary of the principal Singapore income tax consequences applicable to the Sub-Fund(s) is based upon the proposed conduct of the activities to be carried out by the Trust, the Sub-Fund(s) and the Manager as described in this Prospectus. The following summary does not constitute legal or tax advice and does not address non-Singapore withholding taxes or other taxes that may be applicable to the income and gains derived from the investments of the Sub-Fund(s). The comments in this summary could be adversely affected if any of the material facts on which they are based should prove to be inaccurate.

The summary is based on the existing provisions of the relevant Singapore income tax laws and the regulations thereunder, the circulars issued by the MAS and practices and interpretation of such income tax laws in effect as of the date hereof, all of which are subject to change and differing interpretations at any time, either on a prospective or retrospective basis. Any such changes could adversely affect the summary herein. The summary does not purport to be comprehensive.

In addition, the comments herein are not binding on the Singapore tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. The summary is not intended to constitute a complete analysis of all the tax considerations relating to investment in the Units. It is emphasised that none of the Trust, the Sub-Fund(s), the Manager or any other persons involved in the preparation of the Prospectus accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of the Units. Prospective investors should consult their own tax advisers concerning the tax consequences of their particular situations.

### **35.1 Singapore Taxation**

The Singapore tax information herein is based on Section 13U of the Income Tax Act 1947 (“**Income Tax Act**”) and Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the “**Section 13U Regulations**”) (hereafter referred to as the “**Section 13U Tax Exemption Scheme**”) as well as the Section 13D of the Income Tax Act and Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the “**Section 13D Regulations**”) (hereafter referred to as the “**Section 13D Tax Exemption Scheme**”), read with relevant circulars issued by the MAS in this regard from time to time. It should be noted that the changes announced during the Singapore Budget 2019 on 18 February 2019 and Singapore Budget 2022 on 18 February 2022, further details of which were released in the MAS circular dated 7 June 2019 and 19 September 2022 respectively, have yet to be legislated. It should be noted that the details in the above Section 13U Regulations have not been updated to reflect the references to the Section 13U of the 2020 Revised Edition of the Income Tax Act coming into operation on 31 December 2021.

#### **35.1.1 Income Tax**

Singapore income tax is imposed on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to have been received in Singapore, subject to certain exemptions. The corporate income tax rate in Singapore is currently 17%.

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. 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.

As the investment and divestment of assets of the Trust is managed by the Manager, the Trust may be construed to be carrying on activities of a trade or business in Singapore. Accordingly, income from and gains on disposal of investments derived by the Trust should be considered as income accruing in or derived from Singapore and subject to Singapore income tax, unless the income and gains on disposal are exempted from tax pursuant to the Section 13D Tax Exemption Scheme or Section 13U Tax Exemption Scheme.

The Trust will initially utilise the tax exemption scheme under Section 13D Tax Exemption Scheme. In the future, the Trust intends to apply for tax exemption under Section 13U Tax Exemption Scheme once it is able to meet the relevant conditions, whereupon the Section 13D Tax Exemption Scheme will cease to apply.

(a) *Section 13D Tax Exemption Scheme*

Under the Section 13D Tax Exemption Scheme, “specified income” derived by a “prescribed person” in respect of “designated investments” is exempt from tax in Singapore, if the funds of the “prescribed person” are managed by a “fund manager” in Singapore and the prescribed conditions under the Section 13D Tax Exemption Scheme are met.

The Trustee of the Trust will be a “prescribed person” for the purpose of the Section 13D Tax Exemption Scheme if at all times during the basis period for the year of assessment:

- (i) it does not, in its capacity as trustee of the trust fund, have a permanent establishment in Singapore (other than a fund manager for that trust fund);
- (ii) it does not, in its capacity as trustee of the trust fund, carry on any business in Singapore apart from acting as such trustee; and
- (iii) its income, in its capacity as trustee of the trust fund, is not derived from investments transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for the transfer, exempt from tax.

A “fund manager” for the purpose of the Section 13D Tax Exemption Scheme means a fund company holding a capital markets services licence under the SFA for fund management or one that is exempt under the SFA from holding such a licence. The Manager holds a capital markets services licence under the SFA for fund management and is thus a “fund manager” for the purpose of the Section 13D Tax Exemption Scheme.

The Manager will endeavour to conduct the affairs of the Trust and each Sub-Fund(s) such that it will qualify for the Section 13D Tax Exemption Scheme. There is, however, no assurance that the Manager will be able, on an ongoing basis, to ensure that the Trust will always meet all the qualifying conditions for the Section 13D Tax Exemption Scheme. Upon any such disqualification, the Trust 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 Section 13D Tax Exemption Scheme is currently available until 31 December 2024. As long as the Trustee of the Trust is a “prescribed person” at all times before 1 January 2025, the Section 13D

Tax Exemption Scheme would continue to apply for the life of the Trust even if the Section 13D Tax Exemption Scheme is not extended beyond this date, provided that all the Section 13D Conditions continue to be met. No application or approval from the MAS is required for the Section 13D Tax Exemption Scheme.

*“Specified Income”*

Unless specifically excluded, all income and gains derived on or after 19 February 2022 from “designated investments” will be considered as “specified income”. Excluded income or gains are defined to be:

- (i) distributions made by a trustee of a real estate investment trust (as defined in Section 43(10) of the Income Tax Act) that is listed on the Singapore Exchange;
- (ii) 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 13D, 13F, 13L or 13U of the Income Tax Act;
- (iii) income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership and/or non-publicly traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (iv) 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.

*“Designated Investments”*

The list of “designated investments” on or after 19 February 2022 is defined to mean:

- (i) 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);
- (ii) debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities<sup>5</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);
- (iii) 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 this “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);
- (iv) futures contracts held in any futures exchanges;

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<sup>5</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 Income Tax Act.

- (v) immovable property situated outside Singapore;
- (vi) deposits held with any financial institution;
- (vii) foreign exchange transactions;
- (viii) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives relating to any designated investment specified in this list or financial index;
- (ix) units in any unit trust, except:
  - (A) a unit trust that invests in Singapore immovable properties;
  - (B) a unit trust that holds 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
  - (C) a unit trust that grants loans that are excluded under paragraph 35.1.1(c)(x) below;
- (x) loans, including secondary loans, credit facilities and advances, except:
  - (A) 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);
  - (B) loans to finance/re-finance the acquisition of Singapore immovable properties; or
  - (C) 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);
- (xi) commodity derivatives<sup>6</sup>;
- (xii) physical commodities, other than physical investment precious metals mentioned in (xxvi), if:
  - (A) the trading of those physical commodities by the “prescribed person” in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this sub-paragraph as related commodity derivatives) in that basis period; and
  - (B) the trade volume of those physical commodities traded by the “prescribed person” 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;
- (xiii) units in a registered business trust;

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<sup>6</sup> Commodity derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

- (xiv) emission derivatives<sup>7</sup> and emission allowances;
- (xv) liquidation claims;
- (xvi) structured products (as defined in Section 13(16) of the Income Tax Act);
- (xvii) Islamic financial products<sup>8</sup> and investments in prescribed Islamic financing arrangements under Section 34B of the Income Tax Act that are commercial equivalents of any of the other “designated investments” specified in this list;
- (xviii) private trusts that invest wholly in “designated investments”;
- (xix) freight derivatives<sup>9</sup>;
- (xx) publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore<sup>10</sup>;
- (xxi) interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
- (xxii) bankers’ acceptances issued by financial institutions;
- (xxiii) accounts receivables and letters of credits;
- (xxiv) interests in Tokumei Kumiai (“TK”)<sup>11</sup> and Tokutei Mokuteki Kaisha (“TMK”)<sup>12</sup>;
- (xxv) non-publicly-traded partnerships that:
  - i. do not carry on a trade, business, profession or vocation in Singapore; and
  - ii. invest wholly in designated investments specified in this list; and
- (xxvi) physical investment precious metals, if the investment in those physical investment precious metals does not exceed 5% of the total investment portfolio, calculated in accordance with the formula  $A \leq 5\% \text{ of } B$ , where –
  - i. A is the average month-end value of the total investment portfolio in physical IPMs over the basis period; and
  - ii. B is the value of the total investment portfolio as at the last day of the basis period.

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<sup>7</sup> Emission derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

<sup>8</sup> Recognised by a Shariah council, whether in Singapore or overseas.

<sup>9</sup> Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

<sup>10</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 Income Tax Act.

<sup>11</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>12</sup> A TMK is generally a type of corporation formed under Japanese law. It is a structure/entity used for securitisation purposes in Japan.

### *Taxation of Holders*

Provided that the Trustee is a "prescribed person" and the Trust only derives "specified income" in respect of "designated investments", the Singapore income tax consequences to a Holder of the Trust will, among others, depend on whether or not the Holder is a "qualifying investor" and the Holder's individual circumstances.

A "qualifying investor" of a "prescribed person" will not be subject to payment of a financial penalty to the Singapore Comptroller of Income Tax ("CIT") in Singapore.

A "qualifying investor" of a "prescribed person" is:

- (i) an individual investor;
- (ii) a bona fide non-resident non-individual investor that:
  - i. does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore; or
  - ii. carries on an operation in Singapore through a permanent establishment in Singapore but does not use funds from its operation in Singapore to invest in the Trust, where

a bona fide non-resident non-individual investor is one, which carries out substantial business activities for genuine commercial reasons and has not as its sole purpose the avoidance or reduction of tax or penalty under the Income Tax Act;
- (iii) a "designated person", which means:
  - i. GIC Private Limited, as renamed from time to time;
  - ii. any of the following companies as renamed from time to time, but only if the company is wholly owned (directly or indirectly) by the Minister in the Minister's capacity as a corporation established under the Minister for Finance (Incorporation) Act:
    - a. GIC (Ventures) Pte. Ltd.;
    - b. GIC (Realty) Private Limited;
    - c. Eurovest Pte. Ltd.;
  - iii. a company that is wholly owned (directly or indirectly) by any company that is a "designated person" by reason of paragraph ii;
  - iv. any other company that is wholly owned (directly or indirectly) by the Minister in the Minister's capacity as a corporation established under the Minister for Finance (Incorporation) Act 1959, and is approved by the Minister or an authorised body; or
  - v. any statutory board;
- (iv) an "approved company" under Section 130 of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of the "prescribed person" is

exempt from tax under Section 13D of the Income Tax Act satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010;

- (v) an "approved person" under Section 13U of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of the "prescribed person" is exempt from tax under Section 13D of the Income Tax Act, satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010; or
- (vi) for the purposes of Section 13D(2), (4) and (6) of the Income Tax Act and Regulation 2(7), where the issued securities, value of trust fund or equity interest, as the case may be, is held by a trustee of a trust, the relevant owner, relevant beneficiary or person shall be the beneficiary of the trust administered by the trustee;
- (vii) for the purposes of the paragraph (vi), if a person is a beneficiary of a trust (referred to in this paragraph as a first level trust entity) whose trustee holds (including by virtue of one or more applications of this paragraph), in its capacity as trustee of the first level trust entity, interests of another trust (referred to in this paragraph as a second level trust entity), then the person is taken to beneficially own interests of the second level trust entity; and the percentage which the value of those interests bears to the total value of all interest of the second level trust entity shall be computed in accordance with the following formula:

$A \times B$ ,

where A is the percentage which the value of the interest of the first level trust entity beneficially owned by the person bears to the total value of all interests of the first level trust entity; and

B is the percentage which the value of the interest of the second level trust entity beneficially owned by the trustee of the first level trust entity bears to the total value of all interests of the second level trust entity; and

- (viii) an investor other than those listed in paragraphs (i), (ii), (iii), (iv), (v) and (vi) which, alone or with its associates:
  - i. beneficially owns not more than 30% of the "prescribed person" if the "prescribed person" has less than 10 investors; or
  - ii. beneficially owns not more than 50% of the "prescribed person" if the "prescribed person" has 10 or more investors.

For the purpose of determining whether an investor of the "prescribed person" is an associate of another investor of the "prescribed person", the two investors (except where either of the investors is a "designated person" or an individual) shall be deemed to be associates of each other if:

- (a) at least 25% of the total value of the issued securities in one investor is beneficially owned, directly or indirectly, by the other; or

- (b) at least 25% of the total value of the issued securities in each of the two investors is beneficially owned, directly or indirectly, by a third person except where the third person is an individual or a "designated person".

The "deemed association" tests in (a) and (b) above do not apply where:

- (i) any of the two investors is a listed entity and each does not beneficially own, directly or indirectly, 25% or more of the total value of the issued securities in the other;
- (ii) no third person (other than an individual or a "designated person") beneficially owns, directly or indirectly, at least 25% of the total value of issued securities of the two investors and at least 25% of the total value of the issued securities in each of the two investors is owned either directly by an individual or a "designated person", or indirectly through a nominee company or a trust fund by an individual or a "designated person"; or
- (iii) one of the investors is an "approved person" under Section 13U of the Income Tax Act which, at all times during the basis period for the year of assessment for which the income of a "prescribed person" is exempt from tax under Section 13D of the Income Tax Act:
- i. beneficially owns directly any of the issued securities of the "prescribed person"; and
  - ii. satisfies all the conditions in regulation 3(2) of the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010.

Holders should take note of this aggregation rule. Holders should also note that for the purposes of determining whether other investors of the Trust who are connected with them are associates under this aggregation rule, Units of non-resident non-individual investors connected to them may be aggregated (notwithstanding that these persons are themselves "qualifying investors") in assessing whether the relevant thresholds have been exceeded.

The Trustee, the Manager, and the Fund Administrator (on behalf of the Trust) reserve the right to request such information as any of the Trustee, Manager and Fund Administrator (as the case may be) at its absolute discretion may deem necessary to ascertain whether investors are associates with each other for the purposes of the Section 13D Tax Exemption Scheme.

#### *Non-qualifying investor*

A "non-qualifying investor", which is an investor other than a "qualifying investor", will have to pay a financial penalty to the CIT, subject to the exception noted below. Such financial penalty is computed as follows:-

Financial penalty = A x B x C, where:

- A: is the percentage of the total value of the "prescribed person" which is beneficially owned by the "non-qualifying investor" on the relevant day;
- B: is the amount of income of the "prescribed person" as reflected in its audited accounts for the basis period relating to that year of assessment; and
- C: is the corporate tax rate applicable to that year of assessment.



The "value" in relation to the "prescribed person" means the net asset value of the Fund as at the relevant day.

The relevant day means the last day of the basis period for the year of assessment of the "prescribed person" or the last day the "prescribed person" avails of the Section 13D Tax Exemption Scheme.

Where the "non-qualifying investor" is a non-bona fide non-resident entity, it is not subject to the financial penalty. Instead, the CIT will "look-through" that entity. A beneficial owner of that entity (excluding a person who falls within (i), (ii), (iii), (iv) and (v) of the definition of a "qualifying investor") which:

- (a) either alone or together with its associates, beneficially owns at least 30% (if the "prescribed person" has less than 10 investors) or 50% (if the "prescribed person" has 10 or more investors) of the total value of all equity interests of the "prescribed person" on the relevant day; and
- (b) is not itself a non-bona fide entity;

shall be liable to pay the financial penalty in proportion to its equity interests in the "prescribed person". Reference to "non-qualifying investor" in the formula for computing financial penalty as discussed above would then be replaced by reference to such beneficial owner.

The status of whether an investor is a "qualifying investor" will be determined on the relevant day of the "prescribed person". If a "non-qualifying investor" can prove to the CIT that the applicable investment limit is exceeded for reasons beyond his reasonable control, the CIT may allow him a three-month grace period from the relevant day to reduce its percentage of ownership in the "prescribed person" to meet the allowable investment limit.

If it appears to the Trust that any Holder may be potentially characterised as a "non-qualifying investor", the Trust may but have no obligation to compulsorily redeem such number of Units to the extent necessary to ensure that the Holder will not be treated as a "non-qualifying investor".

The taxation of income derived by the investors from the Trust, will depend on the particular situation of the Holders. This is notwithstanding that the investor may have paid a financial penalty to the CIT. We strongly advise that prospective Holders consult their own tax advisors on the tax laws that would apply to their particular situations, in relation to their investments in the Trust.

#### *Reporting Obligations*

To enable Holders to determine their investment stakes in the Trust, in respect of any financial year of the Fund, the Manager is required to issue an annual statement to each Holders of the Trust, showing:

- (i) the gain or profit of the Trust for that financial year as per the audited financial statements;
- (ii) the total value of the of the Trust as at the last day of that financial year;
- (iii) the total value of the of the Trust held by the Holders as at the last day of that financial year; and
- (iv) whether the Trust had less than 10 investors as at the last day of that financial year.

With effect from the year of assessment 2020, instead of issuing an annual statement to each investor, the Manager can choose to publish the information stated above on its website for investors to assess if they are liable to pay a financial penalty. Whichever method chosen, it should be applied consistently.

The Manager is also required to submit a declaration to the CIT within one month after the date of issue of the audited accounts of the Trust, where there are "non-qualifying investors" and furnish the CIT with the details of any such Holders. In this regard, Holders should note that they are each responsible for the computation of the aggregate of the shareholdings held by them and their associates in the Trust and may be required by the Manager to disclose such computation to the Manager from time to time.

Holders should also note that they will be required to acknowledge in their subscription form that the Trust, the Fund Administrator or the Manager may disclose to each other, to any other service provider to the Trust, or to any regulatory body in any applicable jurisdiction copies of their subscription forms and any information concerning them and their associates provided by them to the Trust, the Fund Administrator or the Manager and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise.

(b) *Section 13U Tax Exemption Scheme*

Subsequent to the fund size of the Trust being at least S\$50 million and subject to satisfying other prescribed conditions, the Trust may apply to the MAS to be an "approved person" for the purpose of the Section 13U Tax Exemption Scheme.

Under the Section 13U Tax Exemption Scheme, "specified income" derived by an "approved person" in respect of "designated investments" is exempt from tax in Singapore, if the funds of the "approved person" are managed directly by a "fund manager" in Singapore and the prescribed conditions under the Section 13U Tax Exemption Scheme are met.

The Trust, together with its Sub-Fund(s), should qualify as an "approved person" for the purpose of the Section 13U Tax Exemption Scheme, if the Trust is approved by the MAS for this purpose and satisfies the following conditions, amongst others (the "**Section 13U Conditions**"):

- (i) the Trust has a minimum fund size of at least S\$50 million at the time of application for approval under the Section 13U Tax Exemption Scheme;
- (ii) the Trust is managed or advised directly throughout each basis period for any year of assessment by a fund management company in Singapore, where the fund management company:
  - (A) must hold a capital markets services licence for the regulated activity of fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, or as otherwise approved by the Minister or such other persons as he may appoint; and
  - (B) must employ at least three investment professionals who are tax residents of Singapore, exercising employment in Singapore and earning more than S\$3,500 per month each. The investment professionals must also be substantially engaged in qualifying activities throughout the basis period relating to any year of assessment for which the tax exemption is sought. Examples include portfolio managers, research analysts and traders;

- (iii) the Trust incurs at least S\$200,000 in local business spending (i.e., spending in Singapore) in each basis period relating to any year of assessment for which the Section 13U Tax Exemption Scheme is sought;
- (iv) the Trust must not change the investment strategy after being approved for the Section 13U Tax Exemption Scheme unless the MAS is satisfied that the change is made for a bona fide commercial purpose and approval is obtained from the MAS before the change takes effect;
- (v) the Trust cannot concurrently enjoy other tax incentive schemes; and
- (vi) any other conditions as may be specified in the letter of approval issued by the MAS approving the Fund for the purpose of the Section 13U Tax Exemption Scheme.

Except for the condition in Section 35.1.1(b)(i) above which is required to be complied with at the time of application only, the Section 13U Conditions will have to be fulfilled by the Trust throughout the life of the Trust.

The terms “fund manager”, “specified income” and “designated investments” have the same meanings as set out in “Section 13D Tax Exemption Scheme” above, except that any reference to “prescribed person” therein is modified to refer to “approved person”.

In the event that the “approved person” fails to satisfy any of the Section 13U Conditions for any basis period, the Trust will not enjoy the tax exemption on “specified income” derived from “designated investments” for the basis period concerned. If at any time the Trust ceases to meet the conditions of the Section 13U Tax Exemption Scheme, the Trust has to inform the MAS in writing within 1 week of such event. The Trust can however continue to enjoy the tax exemption in any subsequent basis period, if the Trust is able to satisfy the Section 13U Conditions in that subsequent period. In the case of an umbrella trust, the above conditions should be fulfilled at the level of the umbrella trust (and not at each sub-fund level).

The Section 13U Tax Exemption Scheme is currently available until 31 December 2024. As long as the Trust, together with its Sub-Fund(s), is approved as an “approved person” before 1 January 2025, the Section 13U Tax Exemption Scheme would continue to apply for the life of the Trust even if the Section 13U Tax Exemption Scheme is not extended beyond this date, provided that all the Section 13U Conditions continue to be met.

The Manager will endeavour to conduct the affairs of the Trust and each Sub-Fund(s) such that it will qualify for the Section 13U Tax Exemption Scheme. There is, however, no assurance that the Manager will be able, on an ongoing basis, to ensure that the Trust will always meet all the qualifying conditions for the Section 13U Tax Exemption Scheme. Upon any such disqualification, the Trust 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. Any Sub-Funds subsequently set up under the Trust will not be required to separately apply to the MAS for the Section 13U Tax Exemption Scheme, so long as the investment objective and strategy of such Sub-Fund is aligned to the investment objective and strategy previously approved by the MAS for the Trust.

(c) *Reporting Obligations*

Unlike the Section 13D Tax Exemption Scheme, there are no restrictions on the profile of investors under the Section 13U Tax Exemption Scheme. As the concept of “non-qualifying investor” and

financial penalties are not applicable, the Manager is not required to issue an annual statement to each Holder of the Trust.

Where the Trust has been approved as an “approved person” for the purpose of the Section 13U Tax Exemption Scheme, it will be required to submit an annual income tax return to IRAS. Additionally, the Trust will be required to submit an annual declaration to the MAS within four (4) months of each financial year-end.

### **35.2 Disposal or redemption of Units**

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

Holders who have adopted or are required to adopt Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”), Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) or their equivalents under the Singapore Financial Reporting Standard International (“**SFRS(I)**”) for financial reporting purposes may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on Units, irrespective of disposal.

Holders and prospective Holders of the Sub-Fund should consult their own accounting and tax advisers on the Singapore income tax consequences of their acquisition, holding or disposal of Units arising from the adoption of FRS 39, FRS 109 or their equivalents under the SFRS(I).

## **36. MISCELLANEOUS INFORMATION**

### **36.1 Inspection of Documents**

Copies of the following documents are available for inspection at the offices of the Manager during usual business hours on each Business Day:

- Trust Deed; and
- the latest available annual report and audited accounts, and the latest semi-annual report and unaudited semi-annual accounts of the Trust (once available).

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

The Net Asset Value per Unit of the Sub-Fund(s) and the respective Dealing Day to which the Net Asset Value per Unit relates to will be published on the Manager’s website at <https://www.cgs-cimb.com.sg/en/home> on the Business Day following each Dealing Day.

The Net Asset Value per Unit of the Sub-Fund(s) will also be announced on the SGXNET at the end of each week.

### **36.3 Information on the Internet**

The Manager will publish information with respect to the Trust and the Sub-Fund(s) on the Manager's website and on the SGXNET including:

- this Prospectus and the Product Highlights Sheet of each Sub-Fund (as may be updated, replaced or supplemented from time to time);
- the latest available annual report and audited accounts, and the latest semi-annual report and unaudited semi-annual accounts of the Trust (once available);
- any removal or retirement of the Manager;
- any public announcements made by the Trust, including information with regard to the Indices, notices of the suspension of the calculation of the Net Asset Value, changes in fees, suspension and resumption of trading and changes in the Participating Dealer(s);
- the holdings, the closing Net Asset Value and Net Asset Value per Unit, the total number of Units issued and fund performance information, in respect of each Sub-Fund;
- list of Participating Dealers in respect of each Sub-Fund;
- any material events relating to the management of the Trust; and
- tracking error and tracking difference in respect of each Sub-Fund.

Material information on the Index of each Sub-Fund will be available on the website of the relevant Index Provider.

### **36.4 Anti-Money Laundering Regulations**

As part of the Manager's and the Trustee's responsibility for the prevention of money laundering and countering the financing of terrorism and to comply with all applicable laws, regulations, notices, codes and guidelines to which the Manager, the Trustee, the Trust or any Sub-Fund is subject, the Manager, the Registrar or the Trustee may require a detailed verification of an investor's identity and the source of payment of any subscriptions. Depending on the circumstances of each application, a detailed verification may not be required where:

- the investor makes the payment from an account held in the investor's name at a recognised financial institution; or
- the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by the Trustee and the Manager as having sufficient anti-money laundering regulations.

### **36.5 Queries and Complaints**

If you have questions concerning the Trust or any Sub-Fund, you may call the Manager at telephone number (65) 6538 9889. You may also email us at [sg.investorservices@cgs-cimb.com](mailto:sg.investorservices@cgs-cimb.com).

*The information relating to the Index of each Sub-Fund as presented in the relevant Appendix has been provided by the relevant Index Provider and/or 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 relevant Appendix. Any liability for errors or omissions in the relevant Appendix, 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 relevant Appendix or any information contained therein.*

## APPENDIX I – CGS FULLGOAL VIETNAM 30 SECTOR CAP ETF

### A. KEY INFORMATION

#### 1. Summary of Information

The following table is a summary of key information in respect of the CGS Fullgoal Vietnam 30 Sector Cap ETF and should be read in conjunction with the full text of this Prospectus.

Investment Objective	To replicate as closely as possible, before expenses, the performance of the iEdge Vietnam 30 Sector Cap Index using a direct investment policy of investing in all, or substantially all, of the underlying Index Securities
Investment Strategy	Replication Strategy
Index	iEdge Vietnam 30 Sector Cap Index
Index Provider	Singapore Exchange Limited
Listing Date	25 August 2023
Exchange Listing	SGX-ST – Main Board
SGX Counter Name	<u>USD Class Units</u> Primary Currency (US\$): CGS FG Vietnam 30 US\$ Secondary Currency (S\$): CGS FG Vietnam 30 S\$
Stock Code	<u>USD Class Units</u> Primary Currency (US\$): VND Secondary Currency (S\$): VNM
Trading Board Lot Size	1 Unit or such other number of Units as the SGX-ST may determine to be the trading board lot size
Currency of Account (Base Currency)	United States dollar (USD)
Class	USD Class Units
Trading Currencies	<u>USD Class Units</u> Primary Currency: United States dollar (USD) Secondary Currency: Singapore dollar (SGD)
Distribution Policy	<u>USD Class Units</u> : The current distribution policy is to reinvest any income of the USD Class Units of the Sub-Fund.
Creation/Redemption (only applicable to Participating Dealers):	In cash Application Unit size of 50,000 Units (or such higher number of Units in multiples of 10,000 Units) or such other subscription amount as may be determined by the Manager
Dealing Deadline for subscription or redemption	12:00 p.m. (Singapore time) (or such other time as the Manager may determine with prior notification to Participating Dealers)

Fees and Charges Payable by Participating Dealers	<u>Creation and Redemption of Units (for USD Class Units)</u> Transaction Fee: USD 500 (cash) / USD 1,200 (in-kind) per transaction Application Cancellation Fee: USD 1,200 per transaction Extension Fee: USD 1,200 per transaction
Management Fee	<u>USD Class Units</u> Currently 0.99% per annum of the Net Asset Value. Maximum of 1.50% per annum of the Net Asset Value. The Manager's fee is retained by the Manager as the Manager does not pay any trailer fees with respect to the Sub-Fund.
Trustee Fee	Up to 0.25% per annum of the Net Asset Value, subject always to a minimum of US\$15,000 per annum (or such other sum as may be agreed in writing from time to time between the Trustee and the Manager)
Custodian Fee	The Custodian Fee may exceed 0.10% per annum of the Net Asset Value of the Sub-Fund depending on, amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs and out-of-pocket expenses. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% of the Net Asset Value of a Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of a Sub-Fund.
Investor Profile	This Sub-Fund is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> <li>• seek an "index-based" approach to investing in the 30 largest and most liquid companies by market capitalisation listed in Ho Chi Minh City, Vietnam;</li> <li>• believe that the Index will increase in value; and</li> <li>• are comfortable with the volatility and risks of an equity fund.</li> </ul>

## 2. Investment Advisor

The Manager has appointed Fullgoal Asset Management (HK) Limited, with registered address at 19/F, No. 33 Des Voeux Road, Central, Hong Kong, as the investment advisor of the Sub-Fund (the "**Investment Advisor**"), via an investment advisory agreement.

Fullgoal Asset Management (HK) Limited ("**Fullgoal Hong Kong**") is a wholly-owned subsidiary of Fullgoal Fund Management Company Limited, established in the PRC ("**Fullgoal PRC**"). Fullgoal Hong Kong was established in 2012. Fullgoal Hong Kong has issued and managed offshore fund products for institutional and individual investors from various countries in Europe, the Middle East, ASEAN, North America, and other regions. Fullgoal Hong Kong is regulated in Hong Kong by the Securities and Futures Commission.



Fullgoal PRC was established on 13 April 1999 in Shanghai. Fullgoal PRC was the first China-based investment advisor to receive approval from China Securities Regulatory Commission to sell equity to foreign shareholders. In 2003, BMO Financial Group of Canada began its equity participation with Fullgoal PRC, providing the firm with both a strategic international shareholder and the advantage of global expertise in asset management and investment funds. Fullgoal PRC has a registered capital of RMB 520 million. As at 31 December 2022, Fullgoal PRC managed 287 public funds with total assets under management (AUM) of RMB 585.26 billion, excluding the AUM of money market funds. Fullgoal PRC has managed collective investment schemes or discretionary funds since 1999.

The directors and principal officers of the Investment Advisor are:-

Directors:

The Company's board directors are Mr. Chen Ge, Ms. Li Xiaowei, Mr. Zhang Lixin, Mr. Chow Yuk Sing, Mr. Zhang Feng, Mr. Zhang Peng, Mr. Lin Zhisong, Ms. Mak Constance Yuen Fan, Ms. Lu Wenjia. Below are their biographies.

(i) Mr. Chen Ge

Mr. Chen Ge is chairman of Board of Directors and Director of Fullgoal Asset Management (HK) Limited and Chief Executive Officer and General Manager of Fullgoal Fund Management Company Limited. Mr. Chen joined Fullgoal Fund Management Company Limited as research analyst in October 2000 and was promoted to Portfolio Manager, Head of Research, Deputy General Manager in subsequent years. Mr. Chen started his career at Guotai Junan Securities House as Research Analyst.

Mr. Chen holds a Master's degree in Economics from Shanghai University of Finance and Economics.

(ii) Ms. Li Xiaowei

Ms. Li Xiaowei is Managing Director of Fullgoal Asset Management (HK) Limited and Deputy General Manager and Chief Investment Officer of Fullgoal Fund Management Company Limited. Ms. Li is the Fund Manager of Fullgoal CSI 300 Enhanced Index Fund and Fullgoal CSI 500 Enhanced Index Fund.

Ms. Li joined Fullgoal Fund Management Company Limited as Managing Director of Alternative Investments in 2009. Prior to joining Fullgoal Fund Management Company Limited, Ms. Li held various positions at Barclays Global Investors including Head of Greater China Active Equity Management, Senior Portfolio Manager and Senior Research Fellow. Previously, Ms. Li was Senior Research Fellow at Morgan Stanley Capital International (MSCIBARRA).

Ms. Li holds a PhD degree in Economics from Stanford University.

(iii) Mr. Zhang Lixin

Mr. Zhang Lixin is Chief Executive Officer and Responsible Officer of Fullgoal Asset Management (HK) Limited. Prior to joining Fullgoal Asset Management (HK) Limited, Mr. Zhang was Chief Legal and Compliance Officer at Haitong International Holdings Limited from 2009 to 2012. From 2004 to 2009, Mr. Zhang was Head of Compliance at Fullgoal Fund Management Company Limited. From 1999 to 2004, Mr. Zhang was Legal Counsel at Shenying Wanguo Securities Company Limited.

Mr. Zhang has over 10 years of Asset Management experience specializing in legal and compliance. Mr. Zhang participates in external leadership councils and is the Vice Chairperson of Chinese Asset Management Association of Hong Kong and the arbitrator of South China International Economic and Trade Arbitration Commission and Shenzhen Court of International Arbitration.

Mr. Zhang holds a Master's degree in Law from Jilin University.

(iv) Mr. Chow Yuk Sing

Mr. Chow Yuk Sing is Managing Director and Responsible Officer of Fullgoal Asset Management (HK) Limited. Prior to joining Fullgoal Asset Management (HK) Limited, Mr. Chow was Executive Director at China International Capital Corporation from 2011 to 2012. From 1998 to 2011, Mr. Chow held various senior positions at MCL Assets Limited, Superfund Financial (HK) Limited, American Express Bank and MFS International Limited.

Mr. Chow started his asset management career as assistant director at Jardine Fleming Unit Trusts Limited from 1992 to 1998.

Mr. Chow has over 25 years of asset management experience in sales and marketing, business development and office management in Asia.

(v) Mr. Zhang Peng

Mr. Zhang Peng is the director of Fullgoal Asset Management (HK) Limited and General Manager's Assistant of Fullgoal Fund Management Company Limited. Prior to this, Mr. Zhang was successively held the posts of deputy director, director and head of sales department of Fullgoal Fund Management Company Limited since July 2011.

Prior to joining Fullgoal Fund Management Company Limited, Mr. Zhang worked at Deutsche Bank, Harvest Fund Management Co., Ltd and Schroder Investment Management Limited.

Mr. Zhang holds a Master degree in Finance from University of International Business and Economics and a Bachelor degree in Finance from Guangdong University of Foreign Studies.

(vi) Mr. Zhang Feng

Mr. Zhang Feng is Chief Investment Officer and Responsible Officer of Fullgoal Asset Management (HK) Limited and Fund Manager of Fullgoal Fund Management Company Limited. Prior to this, Mr. Zhang was Deputy Head of Research of Fullgoal Fund Management Company Limited from 2009 to 2011. Mr. Zhang is the Fund Manager of Fullgoal China Mid-Small Cap Fund.

Prior to joining Fullgoal Fund Management Company Limited, Mr. Zhang was Senior Director at Merrill Lynch (Asia Pacific) Limited and Executive Director at JP Morgan Securities (Asia Pacific) from 2004 to 2009. From 2001 to 2004, Mr. Zhang was Research Associate at Morgan Stanley and Analyst at Credit Lyonnais Securities (Asia).

Mr. Zhang has over 20 years of experience in equity research and investment management.

Mr. Zhang holds an MBA degree from London Business School and a MSc degree from Lancaster University.

(vii) Ms. Constance Yuen Fan MAK

Ms. Mak, ICD.D, CPA, CA, B.COMM, B.A., is the Vice Chairlady of Fullgoal Fund Management Company Limited, PRC and a member of the Board of Directors of Fullgoal Asset Management (HK) Limited.

Ms. Mak is also the General Manager of Asia, International, BMO Financial Group. Prior to joining BMO Financial Group, Ms. Mak was a partner at KPMG Canada.

Ms. Mak is a qualified Canadian Chartered Accountant and a member of the Institute of Corporate Directors in Canada. Previously, she served on a number of trade and charity boards including Canada Thailand Trade Association, Canada Taiwan Trade Association and Junior Achievement of Toronto.

Ms. Mak is a member of the Executive Committee and the chairperson of the Audit Committee of the Board of Directors at the Canada China Business Council as well as a member of the Advisory Committee at Fairchild TV, Canada.

(viii) Mr. Lin Zhisong

Mr. Lin Zhisong joined in Fullgoal Fund Management Co. Ltd. ("Fullgoal Fund") since Oct 1998 and now he is a deputy general manager and chief information officer of Fullgoal Fund Management. Prior to joining Fullgoal Fund, he was as a secretary of Zhangzhou Import and Export Commodity Inspection Bureau, the in-charge of Jinjiang Import and Export Commodity Inspection Bureau, also as a business manager of Xiamen Securities Company. Mr. Lin has received an EMBA from China Europe International Business School and a Bachelor degree from Fudan University.

(ix) Ms. Lu Wenjia

Ms. Lu Wenjia joined Fullgoal Fund Management Company Limited in May 2014 and now is a Deputy General Manager of Fullgoal Fund Management. Prior to joining Fullgoal Fund, she started her career at China Construction Bank (Shanghai Branch), also as Marketing director in Hua An Fund Management Co., Ltd. Ms. Lu holds an EMBA from China Europe International Business School (CEIBS).

Responsible Officers:

(i) Mr. Zhang Lixin

Please refer to Mr Zhang Lixin's biography set out above.

(ii) Mr. Chow Yuk Sing

Please refer to Mr Chow Yuk Sing's biography set out above.

(iii) Mr. Hui Ken

Mr. Hui Ken is Chief Operating Officer and responsible officer at Fullgoal Asset Management (HK) Limited. Prior to joining Fullgoal Asset Management (HK) Limited, Mr. Hui was Operations Manager at Samsung Asset Management (HK) Limited. From 1997 to 2008, Mr. Hui was Operations Manager at DNB Asset Management (Asia) Limited.

Mr. Hui started his career as Operations Officer at HSBC Asset Management in 2012.

Mr. Hui holds a Master's degree in Financial Economics from University of London and a Master's degree in Information Technology from Curtin University.

(iv) Mr. Zhang Feng

Please refer to Mr Zhang Feng's biography set out above.

The Investment Advisor has been appointed on a non-discretionary basis and will provide advice and recommendations to the Manager as to the investments of the Sub-Fund.

The fees of the Investment Advisor are paid by the Manager out of their management fee and are not paid out of the Deposited Property of the Sub-Fund.

The Investment Advisor acts as investment advisor to Fullgoal Fund Management Co., Ltd. headquartered in Shanghai, China, in respect of various funds.

The Investment Advisor will remain as investment advisor of the Sub-Fund until the appointment is terminated in accordance with the terms of the investment advisory agreement. In the event that the Investment Advisor becomes insolvent, the Manager may by notice in writing terminate the Investment Advisor and appoint such person as investment advisor to provide advisory services to the Sub-Fund.

***You should note that past performance of the Investment Advisor is not necessarily indicative of the future performance of the Investment Advisor.***

### **3. Designated Market Makers**

The current designated market makers are Flow Traders Asia Pte. Ltd. and Phillip Securities Pte. Ltd. Please approach the Manager or refer to the Manager's website at <https://www.cgs-cimb.com.sg/en/home> for the current list of designated market makers of this Sub-Fund. Any changes to the designated market makers will be announced on the SGXNET.

### **4. Participating Dealers**

Please approach the Manager or refer to the Manager's website for the current list of Participating Dealers of this Sub-Fund. Any changes to the Participating Dealers will be announced on the SGXNET.

### **5. Dealing Deadline**

The Dealing Deadline for purposes of subscription or redemption of Units in cash is 12:00 p.m. (Singapore time) (or such other time as the Manager may determine with prior notification to Participating Dealers).

## **B. INVESTMENT OBJECTIVE, APPROACH AND STRATEGY**

### **1. Investment Objective**

The investment objective of this Sub-Fund is to replicate as closely as possible, before expenses, the performance of the iEdge Vietnam 30 Sector Cap Index (the "**Index**") using a direct investment policy of investing in all, or substantially all, of the underlying Index Securities.

The Index is compiled and calculated by the Index Provider and is designed to track the 30 largest and most liquid companies by market capitalization listed in Ho Chi Minh City, Vietnam. Please refer to Section H of this Appendix I for more information on the Index.

You should note that there is no guarantee that the Sub-Fund's investment objective will be achieved.

### **2. Investment Approach and Strategy**

The Manager employs a "passive management" or indexing investment approach designed to track the performance of the Index.

The Manager aims to deliver an investment performance which closely corresponds to the performance of

the Index.

In managing the Sub-Fund, the Manager currently adopts a direct Replication Strategy but may adopt a Representative Sampling Strategy. The Manager will seek to construct the portfolio of the Sub-Fund such that, in the aggregate, its capitalization, industry and fundamental investment characteristics perform like those of the Index. However, if the Manager believes that a Replication Strategy is not the most efficient means to track the Index, the Manager may swap between a Replication Strategy and a Representative Sampling Strategy without prior notice to investors, in its absolute discretion as often as it believes appropriate in order to achieve the investment objective of the Sub-Fund. In any event, the Manager will arrange for such change to be announced on the SGXNet.

Please refer to paragraph 4.2 of this Prospectus for more description on the Replication Strategy and Representative Sampling Strategy.

### **3. Investment Restrictions, Securities Lending and Financial Derivative Instruments (“FDIs”) Usage**

As at the date of this Prospectus, the Manager does not intend to invest this Sub-Fund’s assets in options, warrants, commodities, futures contracts, unlisted securities and precious metals.

As at the date of this Prospectus, the Units of this Sub-Fund are classified as Excluded Investment Products and Prescribed Capital Markets Products. For so long as the Units of this Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products, this Sub-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 Excluded Investment Products and Prescribed Capital Markets Products.

The Manager may engage in securities lending or repurchase transactions for this Sub-Fund, where such securities lending or repurchase transactions are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the Net Asset Value of this Sub-Fund, and is in line with the Securities and Futures (Capital Markets Products) Regulations 2018 issued by the MAS (as may be amended from time to time). Any securities lending or repurchase transactions which the Manager may engage in will be in accordance with Appendix 1 of the Code. Currently, the Manager does not intend to enter into any securities lending or repurchase transactions for this Sub-Fund.

To the extent that the Manager invests this Sub-Fund’s assets in FDIs, such FDIs may be used for the purposes of hedging and/or efficient portfolio management in accordance with the Securities and Futures (Capital Markets Products) Regulations 2018 and Appendix 1 of the Code.

The Manager confirms that the global exposure of this Sub-Fund to FDIs or embedded FDIs will not exceed 100%. Such exposure would be calculated using the commitment approach.

In the event the Manager uses FDIs on behalf of a Sub-Fund, it is of the view that it has the necessary expertise to control and manage the risks relating to the use of FDIs. The Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of FDIs.

### **4. Change in Investment Objective or Policy**

There will be no change to the investment objective and/or investment policy of this Sub-Fund during the 3-year period commencing from the date of this Prospectus, unless any such change is approved by an

extraordinary resolution of Holders in a general meeting or such prohibition on changes to the investment objective and/or investment policy of this Sub-Fund is waived by the SGX-ST. Where there is any change to the investment strategy adopted for this Sub-Fund, such changes will be announced by the Manager through SGXNET. A list of the holdings of this Sub-Fund will be published in the monthly fund factsheet which is available on the Manager's website at <https://www.cgs-cimb.com.sg/en/home>.

### **C. SPECIFIC RISK FACTORS**

In addition to the risk factors described under paragraphs 6 "Risk Factors" and 7 "Risk Factors Relating to the Indices" of this Prospectus, investors should also consider the specific risks associated with investing in this Sub-Fund set out below before deciding whether to invest in this Sub-Fund.

#### **1. Vietnam market risk**

All financial markets may at times be adversely affected by changes in political, economic and social conditions. The Sub-Fund's investments are subject to the risks inherent in all securities i.e. the value of holdings may fall as well as rise. Since emerging markets (including Vietnam) tend to be more volatile than development markets, any holdings in emerging markets are exposed to higher levels of market risks. Please refer to the risks relating to emerging markets described below. In addition, investments in Vietnam are also currently exposed to risks pertaining to the Vietnamese market. These include risks brought about by current investment ceiling limits where foreign investors are subject to certain holding limits, which are determined for each industry based on Vietnam's international commitments, specific laws and market access conditions for foreign investors; and constraints currently imposed on the trading of listed securities where a registered foreign investor may open multiple securities trading accounts in accordance with the principle that such an investor opens only one trading account at each licensed securities company in Vietnam, except for the cases as provided in Vietnamese laws. These may contribute to the illiquidity of the Vietnamese securities market, create inflexibility and uncertainty on the trading environment. To avoid misapplication of investors' money, the current regulations do not permit securities companies to directly receive and manage the investment capital from their investors and require delegation of that task to commercial banks in Vietnam. However, not all securities companies have complied with such regulations, resulting in some monetary risks for investors.

#### **2. Liquidity risk**

The smallness in size of some of the Vietnam stock markets through which the Sub-Fund will invest may result in significant price volatility and a potential lack of liquidity. Daily trading volumes may be extremely small in relation to the size of those stock markets resulting in difficulty in acquiring and disposing of securities in any quantity at the price and time it so desires. Certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions and the prices quoted on the Vietnamese stock markets may be wide due to the lack of market participants or brokerages. This may affect the ability to obtain prices for the components of the underlying asset of the Sub-Fund and may therefore affect the value of the underlying asset of the Sub-Fund and the ability of investors to realise their Units. In addition, as the Vietnamese market is in its initial stage of development, market liquidity can be affected due to the lack of sophistication and depth of the market or by the actions of unprofessional investors or traders.

#### **3. Concentration risk**

The Sub-Fund is highly concentrated and focused on a single country (i.e. Vietnam). Investors should be aware that this Sub-Fund is likely to be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions of the Vietnamese economy, where all the Index Securities companies are based and conduct their business operations. The

Sub-Fund's Net Asset Value may have higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets. The Sub-Fund will be exposed to the various industries and sectors of the Index Securities and unfavourable market, economic and/or political developments which affect such industries and sectors will affect the value of the Index Securities companies and also the value of the Sub-Fund.

#### **4. Emerging markets risk**

Accounting, auditing and financial reporting standards in Vietnam being an emerging market may be less rigorous than international standings. As a result, certain material disclosures may not be made by some companies and the lack of transparency may impact the market value of such companies which are Index Securities and in turn, the value of the Sub-Fund.

Investment in emerging markets involves special considerations and risks. Many emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. There is a possibility of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could adversely affect the Vietnamese economy and the value of the Sub-Fund's investments, and the risks of investing in countries with smaller capital markets, such as limited liquidity, limited market information, price volatility, restrictions on foreign investment and repatriation of capital, and the risks associated with emerging economies, including high inflation and interest rates and political and social uncertainties.

Investments in products relating to emerging markets may also become illiquid which may constrain the Manager's ability to realise some or all of the portfolio. Small market size and limited trading volume of securities markets may mean that the investments are less liquid and more volatile than investments in more established markets, and that market prices can be more easily manipulated by large individual investors. The marketability of quoted shares may be limited due to the restricted opening hours of stock exchanges, a narrow range of investors and a relatively high proportion of market value being concentrated in the hands of a relatively small number of shareholders. Infrastructure for clearing, settlement, registration and custodian services is in some cases less developed than those in more mature world markets, which may result in delays and other material difficulties in settling trades and in registering transfers of securities. It may result in delays in settling and / or registering transactions. Problems of settlement in the Vietnamese market may affect the value and liquidity of the Sub-Fund.

In Vietnam, the mechanism for identifying money laundering may not be effective, and although a regulation on anti-money laundering exists, there is little or no detailed guidance. Regulatory enforcement of anti-money laundering laws and rules may also not be stringently conducted and this could impact the value of companies which are involved in such activities. Insofar as any of such companies are Index Securities, this will adversely impact the value of the Sub-Fund.

#### **5. Legal risk**

The economy of Vietnam is substantially less developed than those of other geographic regions which are more developed. The laws and regulatory apparatus affecting the economy are also in a relatively early stage of development and are not as well established as the laws and the regulatory apparatus of other developed regions. Vietnamese securities laws and regulations are still in their development stage and not drafted in a very concise manner which may be subject to varying and inconsistent interpretation. In the event of a securities related dispute involving a foreign party, the laws of Vietnam would generally apply (unless an

applicable international treaty provides otherwise). The Vietnamese court system is not as transparent and effective as court systems in more developed countries and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Vietnam and generally the judgments of foreign courts are not recognized.

## **6. Regulatory risk**

Foreign investment in Vietnam's primary and secondary securities markets is still relatively new and many of Vietnam's existing securities laws are ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Investors should note that because of a lack of precedent, securities market laws and the regulatory environment for primary and secondary market investments by foreign investors are in the early stages of development, and remain untested.

The regulatory framework of the Vietnam primary and secondary securities markets is still in the development stage compared to many of the world's leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of the Vietnam primary and secondary securities markets. The absence of detailed regulations means a lower level of protection afforded to investors in the Vietnam market. Future regulatory changes, while impossible to predict, may also be substantial and adverse.

## **7. Foreign exchange risk**

The Vietnamese Dong ("VND") is a controlled currency, with an official US\$/VND reference inter-bank exchange rate set by the State Bank of Vietnam (the "SBV") on a daily basis and banks are allowed to raise their daily trading band for the US\$/VND exchange rate to  $\pm 5\%$  against such inter-bank rate. Investors should note the risks of limited liquidity in the Vietnam foreign exchange market.

In addition, all market transactions in Vietnam are required (by the Ordinance on Foreign Exchange of 2005, which took effect from 1 June 2006, as amended on 18 March 2013, and its guiding documents) to be denominated in VND, except for cases expressly stipulated/permitted by Vietnamese laws. Specifically, for securities activities, Circular 32 of 2013 issued by the SBV requires that all securities transactions in Vietnam must be made in VND. Pursuant to these regulations, upon completion of all financial obligations in Vietnam, foreign investors (or their agents) are permitted to convert their VND income in Vietnam to foreign currencies for the purpose of remittance abroad (after withholding of the taxes mentioned below).

## **8. Tax risk**

Regarding investment in listed securities, there are various tax issues which remain unclear and might be the subject of clarification by the Vietnam government (see sub-heading "Taxation" below for a more detailed discussion on the current tax position of the Sub-Fund).

### Taxation

It is the intention of the Sub-Fund that its business activities will not be carried out in Vietnam through a Permanent Establishment (i.e. the Sub-Fund will not assign any employee to work in Vietnam for more than 6 months, or the Sub-Fund will not have any dependent agent in Vietnam, etc.), rather a securities investment account will be opened in Vietnam. Consequently, as a foreign investment fund established under the laws of a foreign country, the Sub-Fund should not be considered to be a resident of Vietnam for corporate income tax purpose and, therefore, the Sub-Fund should not be liable to Vietnamese corporate tax on income and gains derived from non-Vietnamese investments. However, when investing in Vietnam securities listed on



the stock market, the Sub-Fund will be subject to Corporate Income Tax (“CIT”) on a “deemed taxation” basis as described below.

On the transfer of securities (including shares, investment fund certificates, bonds, except for tax-free-bonds in Vietnam), CIT is imposed on the gross value of securities sold on each transaction. This is a “deemed profits” tax, equivalent to 0.1% of the value of the sale transaction. No relief is allowed for transaction costs, and no allowance is taken for the cost of investments.

On interest earned from bonds (except for tax-free-bonds), deemed CIT is imposed and calculated at 5% of the interest received. The tax is payable on a payments basis.

Dividends received from tax-paid profits due to investment in shares and investment fund certificates are not subject to further CIT in the hands of the Sub-Fund.

In case where taxes are applicable, CIT is withheld, declared and paid by the relevant securities company or commercial bank which remits the legal remaining income, to foreign investors for remittance offshore. Interest paid to the Sub-Fund over any deposit at accounts opened in Vietnam (if any) may also be subject to a 5% withholding tax under the Foreign Contractor Tax (“FCT”) regulations. The Sub-Fund is not required to declare and pay Value Added Tax for securities dealing activities in Vietnam.

Unitholders who are resident outside Vietnam are not liable to Vietnamese tax on distributions received from the Sub-Fund, nor on gains derived from the disposal of their interests in the Sub-Fund.

## **9. Dual Counter Trading Risk**

The USD Class Units are traded in two different currency counters on the SGX-ST (i.e. US\$ and S\$).

### **(i) Inter-counter trading and settlement risk**

Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in the US\$ counter and S\$ counter at the same time. In such instances, another broker/intermediary may need to be used. This may inhibit or delay dealing in the US\$ counter and S\$ counter and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the dual counter trading and inter-counter transfers.

There might be a suspension of the inter-counter transfer of Units amongst the US\$ counter and S\$ counter for various reasons, for example, operational or systems interruption or settlement failure on an inter-counter day trade. Accordingly, it should be noted that inter-counter transfers may not always be available.

### **(ii) Currency exchange risk**

The price of the Units in the traded currency counters (i.e. US\$ and S\$) of the USD Class Units is based on the price of the Units in the base currency (i.e. US\$) and the prevailing foreign exchange rates. Therefore, the performance of the Units in the traded currency counters may not be the same as that of the base currency due to fluctuations in the foreign exchange rates between the US\$ against the S\$.

(iii) Difference in trading prices risk

There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate between the US\$ against the S\$, the value of the Units in S\$ may deviate significantly from the market price of the Units traded in US\$ on the SGX-ST. Accordingly, when buying or selling Units traded in one currency (eg. US\$), an investor may receive less or pay more than the equivalent amount in the other traded currency (eg. S\$). There can be no assurance that the price of Units in each counter will be equivalent.

## **D. DISTRIBUTION POLICY**

### USD Class Units

Distributions, if any, will be determined by the Manager. The current distribution policy is to reinvest any income of the USD Class Units of the Sub-Fund. Investors should note that the Manager may review the distribution policy in the future depending on prevailing market conditions.

## **E. PERFORMANCE AND BENCHMARK OF THIS SUB-FUND**

As the Sub-Fund has yet to be launched as at the date of this Prospectus, a track record of 1 year is not available.

The benchmark against which the performance of the Sub-Fund will be measured is the iEdge Vietnam 30 Sector Cap Index.

## **F. EXPENSE RATIO**

As the Sub-Fund has yet to be launched as at the date of this Prospectus, the Sub-Fund's expense ratio is not available.

## **G. TURNOVER RATIO**

As the Sub-Fund has yet to be launched as at the date of this Prospectus, the Sub-Fund's turnover ratio is not available.

## **H. INFORMATION ON THE INDEX**

### **1. Description of the Index**

The Index is compiled and maintained by Singapore Exchange Limited. The Index is designed to track the 30 largest and most liquid companies by market capitalization listed in Ho Chi Minh City, Vietnam. The Index is constructed to be tradable with efficient liquidity and replicability.

Index selections are subjected to values-based exclusion screening to exclude companies in activities such as defence weapons, gambling, tobacco, drugs and alcohol.

Index constituents are weighed based on free float market capitalization with considerations for foreign-ownership limits, with a 10% maximum stock weight cap and 25% maximum sector cap.

The Manager has been granted a licence by Singapore Exchange Limited to use the Index and Singapore Exchange Limited is not related to the Manager.

## 2. Index methodology

The Index is compiled and calculated by the Index Provider.

### **Screening**

Screening of the Index is based on the following:

- Values-Based Exclusion Screening
- Free Float Screen based on Foreign-ownership limit adjusted Free-Float
- Liquidity Screen based on 6-months Median Traded Velocity

The selection process involves selecting 30 Vietnam-listed companies, that pass the Values-Based Exclusion, Free Float and Liquidity Screens, by descending order of market capitalization.

### **Eligibility Criteria – Values-Based Exclusion Screening**

Eligible companies are subjected to a values-based exclusion screening. Companies involved in the following activities are excluded from the Index: defence weapons, gambling, tobacco, drugs and alcohol.

### **Eligibility Criteria – Free Float**

Eligible companies are required to have a minimum of 10% foreign-ownership limit adjusted free-float percentage. The threshold is further lowered to a minimum of 8% foreign-ownership limit adjusted free-float percentage for companies that are existing index constituents.

### **Eligibility Criteria – Velocity**

Eligible companies are required to pass a minimum 6-months median velocity of 0.1%. The threshold is further lowered to a minimum of 0.08% 6-months median velocity for companies that are existing index constituents. Daily Velocity is calculated in accordance with the following formula:

$$\text{Daily traded velocity} = \frac{\text{Daily traded value}}{\text{Free-Float market capitalisation}}$$

Where:

- *Daily traded value: Median daily traded value*
- *Free-float market capitalization: Median free-float market capitalization*

### **Selection & Weighting**

The remaining eligible companies are then ranked by market capitalization. The 30 highest ranked companies are selected to form the Index. A buffer mechanism is introduced in the selection of the 30 highest ranked companies. Index constituents are then weighted by foreign-ownership limit adjusted free-float market capitalization.

A new entrant will be included in the Index if an existing constituent becomes ineligible for Index inclusion. A new entrant can also be included if either of the following conditions are met:

- An existing constituent that ranks equal or worse than 10% of the quota of stocks for the respective Index will be removed, and the highest-ranking new entrant will be included in the Index. As an example, for an Index with a basket size of 30 constituents, an existing constituent that ranks equal or worse than the 33<sup>rd</sup> position (10% count of 30 stock quota is a 3 stock ranking buffer) will be removed, and the highest-ranking new entrant will be included in the Index.
- A new entrant that ranks equal or better than 10% of the quota of stocks for the respective Index will be included, and the lowest-ranking existing constituent will be removed from the Index. As an example, for an Index with a basket size of 30 constituents, a new entrant that ranks equal or better than the 27<sup>th</sup> position (10% count of 30 stock quota is a 3 stock ranking buffer) will be included, and the lowest-ranking existing constituent will be removed from the Index.

Index constituents are weighted by foreign-ownership limit adjusted free-float market capitalization. Index constituents will have their Index weights capped at 10% at each rebalance date. Each sector of the Index constituents will have their Index weights capped at 25% at each rebalance date.

The Index is reviewed by the Index Provider on a semi-annually basis in March and September.

The description of the Index methodology is available at <https://www.sgx.com/indices/products/ievntr>.

### 3. Characteristics and composition of the index

The Index is a tradable, foreign-ownership-adjusted free-float market capitalization weighted index that measures the performance of the 30 largest and most liquid companies in Vietnam. The universe of the Index is defined as all companies listed in Ho Chi Minh City, Vietnam.

The Index Provider publishes the composition of the Index on a semi-annual basis and the latest information relating to the Index is available at <https://www.sgx.com/indices/products/ievntr>.

### 4. Constituents of the Index

As at 14 June 2023, the 10 largest constituents in the Index are as follows:

<u>No.</u>	<u>Stock Name</u>	<u>Weighting (%)</u>
1.	SSI Securities Corp	9.9%
2.	Vinhomes JSC	9.8%
3.	Hoa Phat Group JSC	9.6%
4.	Bank for Investment and Development of Vietnam JSC	8.1%
5.	Vietnam Dairy Products JSC	7.8%
6.	Vingroup JSC	7.3%
7.	Masan Group Corp	6.4%
8.	VNDirect Securities Corp	5.8%
9.	Vietcap Securities JSC	2.7%
10.	Saigon - Hanoi Commercial Joint Stock Bank	2.6%

Source: Singapore Exchange Limited

## 5. Index publication

Information on the Index can be retrieved from the Index Provider's website: <https://www.sgx.com/indices/products/ievntf>.

### I. DISCLAIMER BY SINGAPORE EXCHANGE LIMITED

The Units are not in any way sponsored, endorsed, sold or promoted by the Singapore Exchange Limited (“SGX”) and/or its affiliates and SGX and its affiliates make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the iEdge Vietnam 30 Sector Cap Index and/or the figure at which the iEdge Vietnam 30 Sector Cap Index stands at any particular time on any particular day or otherwise. The iEdge Vietnam 30 Sector Cap Index is administrated, calculated and published by SGX. SGX shall not be liable (whether in negligence or otherwise) to any person for any error in the CGS Fullgoal Vietnam 30 Sector Cap ETF and the iEdge Vietnam 30 Sector Cap Index and shall not be under any obligation to advise any person of any error therein.

### J. SUBSCRIPTION AND REDEMPTION

#### 1. Initial Offer Period

During the initial offer period of this Sub-Fund which is from 10 August 2023 to 21 August 2023 (or such other dates as the Manager may determine) (the “Initial Offer Period”), investors of this Sub-Fund may apply for Units only through the Participating Dealers.

The Issue Price of USD Class Units during the Initial Offer Period is US\$1.0000.

Participating Dealers may apply for Units on their own account or for the account of their clients in accordance with the Operating Guidelines.

#### Indicative Timetable

The following table summarises the key events in the Sub-Fund's indicative timetable:

<b><u>Event</u></b>	<b><u>Indicative Timeline</u></b>
Initial Offer Period commences	10 August 2023 at 9 a.m. (Singapore time)
Initial Offer Period closes (unless extended by the Manager)	21 August 2023 at 2.30 p.m. (Singapore time)
Listing commences and Units may then be created and redeemed by any Participating Dealer as well as traded by any investor (i.e. commencement of trading of the Units on a “ready” basis on the SGX-ST)	Expected to be 9 a.m. (Singapore time) on 25 August 2023 subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units on a “ready” basis have been fulfilled (unless the Initial Offer Period is extended, in which case dealings on the SGX-ST will commence on the second Business Day following the close of the Initial Offer Period).

Settlement date for all trades done on a “ready” basis on 25 August 2023	29 August 2023
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The above timetable is indicative only and is subject to change. All dates and times referred to above are Singapore dates and times.

In the event of any extension of the Initial Offer Period, the Manager will publicly announce the same via SGXNET, with the announcement to be posted on the SGX-ST website at [www.sgx.com](http://www.sgx.com).

Investors should consult the SGX-ST announcement on the “ready” listing date on the SGX-ST website or check with their brokers on the date on which trading on a “ready” basis will commence.

## 2. Conditions of the Initial Offer

Application has been made to the SGX-ST for listing of and permission to deal in Units in this Sub-Fund. Units in this Sub-Fund are neither listed nor dealt on any other stock exchange (other than the SGX-ST) and no application for such listing or permission to deal is being sought as at the date of this Prospectus.

The offer and issue of Units in this Sub-Fund during the Initial Offer Period is subject to and conditional upon valid Creation Applications accepted by the Manager to create such number of Units in this Sub-Fund for a minimum value of US\$5 million (or its equivalent in such other foreign currency as may be determined by the Manager) by the close of the Initial Offer Period.

If the above condition is not fulfilled and the Manager decides not to proceed with this Sub-Fund, the subscription amount (including any Duties and Charges and the Transaction Fee) paid by the Participating Dealer will be returned to the Participating Dealer (without interest) and investors who have applied for Units through the Participating Dealer will be refunded by the Participating Dealer and should consult the Participating Dealer on the procedure for such refund. The Manager may at its discretion continue with this Sub-Fund even if the minimum value of US\$5 million (or its equivalent in such other foreign currency as may be determined by the Manager) is not raised at the close of the Initial Offer Period.

## 3. Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 21 August 2023 to another Dealing Day, Creation Applications received during the Initial Offer Period should be settled on the Business Day which is two Business Days after such Dealing Day (the “**Extended Date**”). In such circumstances, dealings in the Units on the SGX-ST would commence on the second Business Day after the Extended Date.

## 4. Minimum Subscription Amount

During the Initial Offer Period, the minimum subscription amount for this Sub-Fund is 50,000 Units (or such higher number of Units in multiples of 10,000 Units) or such other subscription amount as may be determined by the Manager.

After the close of the Initial Offer Period, the minimum subscription amount for this Sub-Fund is 50,000 Units (or such higher number of Units in multiples of 10,000 Units) or such other subscription amount as may be determined by the Manager.

Investors who wish to acquire less than 50,000 Units during the Initial Offer Period may do so through the

Participating Dealers. Please check with the Participating Dealers for the applicable minimum subscription amount.

Investors who wish to acquire less than 50,000 Units after the close of the Initial Offer Period may acquire such number of Units on the SGX-ST.

**5. Minimum Holding Amount**

The minimum holding amount is 50,000 Units.

For investors who have subscribed through the Participating Dealers, please check with the relevant Participating Dealer on the applicable minimum holding amount.

**6. Minimum Redemption Amount**

The minimum redemption amount is 50,000 Units (or such higher number in multiples of 10,000 Units) or such other redemption amount as may be determined by the Manager.

Investors who wish to redeem less than 50,000 Units may only do so through the Participating Dealers, if permitted by the relevant Participating Dealer. Please check with the Participating Dealers for the applicable minimum redemption amount.

Investors who wish to redeem less than 50,000 Units may sell their Units on the SGX-ST.

**APPENDIX II – 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>Chan Swee Liang Carolina</b>	
CGS-CIMB Securities (Singapore) Pte. Ltd.	
Genting Singapore Limited	
City Developments Limited	
CGS-CIMB Securities International Pte. Ltd.	
Singapore Exchange Limited	
Leukemia and Lymphoma Foundation	
CGS-CIMB Financial Services Pte. Ltd.	
CGS-CIMB Securities (Hong Kong) Limited	
CGS-CIMB Securities (Thailand) Co., Ltd.	
CGS-CIMB Securities Sdn. Bhd.	
<b>Malcolm Koo Chin Wei</b>	
CGS-CIMB Securities (Singapore) Pte. Ltd.	
CGS-CIMB Capital Pte. Ltd.	
<b>Chan Yuen May</b>	
CGS-CIMB Securities (Singapore) Pte. Ltd.	
CGS-CIMB Securities (Thailand) Co., Ltd.	
CGS-CIMB Securities (Hong Kong) Limited	
CGS-CIMB Securities (India) Private Limited	
CGS-CIMB Capital Pte. Ltd.	
CGS-CIMB Securities (Mauritius) Ltd	
CGS-CIMB Securities Sdn. Bhd.	
CGS-CIMB Financial Services Pte Ltd	
CGS-CIMB Futures Sdn. Bhd.	
<b>Yap Teong Keat</b>	
CGS-CIMB Securities (Singapore) Pte. Ltd.	
<b>Ho Wai Chu</b>	
CGS-CIMB Securities (Singapore) Pte. Ltd.	
CGS-CIMB Securities (UK) Limited	
CGS-CIMB Nominees (Asing) Sdn. Bhd.	
CGS-CIMB Nominees (Tempatan) Sdn. Bhd.	



**CGS SG ETF SERIES I**

**PROSPECTUS**

**BOARD OF DIRECTORS OF CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.**

Signed:



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**Chan Swee Liang Carolina**

Director

(Signed by Yap Teong Keat for and  
on behalf of Chan Swee Liang Carolina)

Signed:



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**Malcolm Koo Chin Wei**

Director

Signed:



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**Chan Yuen May**

Director

Signed:



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**Yap Teong Keat**

Director

Signed:



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**Ho Wai Chu**

Director

(Signed by Yap Teong Keat for and  
on behalf of Ho Wai Chu)