

**PROSPECTUS REQUIRED PURSUANT TO DIVISION 2 PART XIII  
OF THE SECURITIES AND FUTURES ACT 2001**

**relating to**

**SINGAPORE INDEX FUND**

Registered with the Monetary Authority of Singapore on 20 October 2023

**An application was made to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 22 October 1996 for permission to list and deal in and for quotation of all units (the "Units") in the Singapore Index Fund (the "Fund") which may be issued from time to time. Such permission has been granted by the SGX-ST and the Fund was admitted to the Official List of the SGX-ST on 20 December 1996. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the Fund or the Units.**

## **SINGAPORE INDEX FUND**

### **DIRECTORY**

#### **Managers**

Singapore Consortium Investment Management Limited  
(Company Registration Number: 199607548K)  
250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541

#### **Directors of the Managers**

Boon Swan Foo  
Tan Mui Hong  
Tan Hui Keng Martha  
Chew Seng Fang

#### **Trustee / Registrar / Administrator**

HSBC Institutional Trust Services (Singapore) Limited  
(Company Registration Number: 194900022R)  
10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983

#### **Custodian**

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

#### **Auditors**

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

#### **Solicitors to the Managers**

Tan Peng Chin LLC  
50 Raffles Place, #27-01 Singapore Land Tower, Singapore 048623

#### **Solicitors to the Trustee**

Shook Lin & Bok LLP  
1 Robinson Road, #18-00 AIA Tower, Singapore 048542

#### **Distributing Agents**

DBS Bank Ltd.  
Singapore Island Bank Limited  
United Overseas Bank Limited  
Oversea-Chinese Banking Corporation Limited

## SINGAPORE INDEX FUND

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**SINGAPORE INDEX FUND**  
**IMPORTANT INFORMATION**

We, the managers of the Singapore Index Fund (the "**Fund**"), Singapore Consortium Investment Management Limited (the "**Managers**"), and our directors (the "**Directors**"), individually and collectively accept full responsibility for the accuracy of the information contained in this prospectus ("**Prospectus**") and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief, the facts stated and the opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus and there are no material facts, the omission of which, would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context. Unless otherwise stated or the context otherwise requires, all terms not defined in this Prospectus have the same meanings as used in the deed of trust dated 12 November 1996 (as amended) relating to the Fund (the "**Deed**").

You should refer to the provisions of the Deed and note that this Prospectus may be supplemented or replaced from time to time to reflect material changes. You should obtain independent professional advice in any event of any doubt or ambiguity relating to the provisions of the Deed or this Prospectus.

Units in the Fund (the "**Units**") deposited with The Central Depository (Pte) Limited (the "**CDP**") will be traded on the SGX-ST at market prices throughout the trading day. Market prices for Units may, however, be different from their Value (as calculated in accordance with the Deed). Any listing and quotation of Units on the SGX-ST does not guarantee a liquid market for the Units.

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the Units in any jurisdiction in which such offer, solicitation or invitation is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of or the legal or regulatory authorities of any jurisdiction except for the registration of this Prospectus in Singapore. The distribution of this Prospectus and the offer of the Units in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions at their own expense and without liability to us or the Fund.

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

No person, other than us, has been authorised to issue any advertisements or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisements, information or representations must not be relied upon as having been authorised by the Fund, the Trustee or us.

You should also consider the risks of investing in the Fund which are summarised in paragraph 10 of this Prospectus.

Applications may be made in other jurisdictions to enable the Units to be marketed freely in those jurisdictions.

**Prohibition against U.S. investors**

The Units are being offered and sold outside the United States to persons that are not:

- (a) U.S. Persons (as defined in Regulation S promulgated under the Securities Act of 1933 of the United States of America ("**U.S.**"), as amended (the "**U.S. Securities Act**")) in reliance on Regulation S promulgated under the U.S. Securities Act; or

- (b) "United States persons" (as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended, and referred to herein as "**U.S. Taxpayers**"). Currently, the term "**U.S. Taxpayer**" includes: a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Taxpayer under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last 2 years should check with their tax advisors as to whether they may be considered residents of the United States.

Units are not and may not be offered, made available, sold to or for the account of any U.S. Persons or U.S. Taxpayers. You may be required to declare that you are not U.S. Taxpayers and that you are neither acquiring Units on behalf of U.S. Taxpayers nor acquiring Units with the intent to sell or transfer them to U.S. Taxpayers.

#### **Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS")**

FATCA was enacted in 2010 by the United States Congress as part of the U.S. Hiring Incentives to Restore Employment Act to target non-compliance with tax laws by U.S. Taxpayers using overseas accounts. Under FATCA, financial institutions outside of the U.S. are required to regularly submit information on financial accounts held by U.S. Taxpayers to the U.S. tax authorities. Failure to comply with FATCA may, amongst other things, subject the Fund to U.S. withholding tax on certain types of payments made to the Fund. Accordingly, it is intended that the Fund comply with FATCA.

The Fund may also be required to identify certain reportable persons under the Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("**CRS**"). The CRS is an internationally agreed standard endorsed by the Organisation for Economic Co-operation and Development for the automatic exchange of financial information between tax authorities of signatory jurisdictions. CRS has been implemented in Singapore via the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**CRS Regulations**") with effect from 1 January 2017. The CRS Regulations sets out the financial account information to be obtained and exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as the customer due diligence procedures to be followed. The CRS builds on the FATCA reporting regime to maximise efficiency and reduce costs for implementing jurisdictions and their financial institutions.

For the purpose of complying with FATCA and CRS, we, the Trustee and/or other service providers of the Fund may be required to (a) report and disclose information on certain investors in the Fund to the U.S. tax authorities and/or such Singapore authority as may be required under the Singapore laws and regulations implemented as part of the intergovernmental agreement ("**IGA**") entered into between the U.S. and Singapore<sup>1</sup> in connection with FATCA or implemented in connection with CRS, and/or (b) withhold certain payments to such investors.

You are required to:

- (a) provide such information, documents, certifications and assistance in connection with the above as we and/or the Trustee may require from time to time;

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<sup>1</sup> Pursuant to the IGA entered into between Singapore and the U.S. on 9 December 2014, Singapore-based financial institutions will report information on financial accounts held by U.S. Taxpayers to the Inland Revenue Authority of Singapore ("**IRAS**"), which will in turn provide the information to the U.S. tax authorities.

- (b) notify us in writing immediately in the event that you are or have become a U.S. Taxpayer, or are holding Units for the account of or benefit of a U.S. Taxpayer; and
- (c) notify us of any update to any information, documents or certifications previously provided.

You are also deemed to have consented to us, the Trustee and/or other service providers to the Fund, carrying out our obligations in reporting and disclosing information on you and your investments to the relevant tax authorities (as may be required under Singapore laws and regulations implemented as part of the IGA entered into between the U.S. and Singapore, or in connection with the CRS).

We may compulsorily realise all or part of the Units held by you under the circumstances described at paragraph 14 of this Prospectus.

All enquiries in relation to the Fund should be directed to us, Singapore Consortium Investment Management Limited.

### **Personal Data Protection**

You consent and acknowledge that any personal data provided to us, the Trustee, the Custodian, the Registrar and/or our respective appointed representatives, agents, service providers and/or affiliates and related corporations ("**Recipients**", each a "**Recipient**") whether directly or through appointed agents or Distributing Agents, or otherwise collected by a Recipient or on behalf of a Recipient (by any person including but not limited to the CDP in connection with the subscription for Units), including any personal data relating to third party individuals (e.g. beneficial owners, directors or authorised signatories of investors who are not individuals) ("**Data**") may be collected, used, disclosed, processed and stored by a Recipient for the following purposes:

- (a) updating and maintaining the register of holders of Units;
- (b) processing instructions or trades of investors or persons acting on behalf of investors;
- (c) complying with any applicable rules, laws or regulations, regulatory policies, guidelines or industry codes, orders, directions or requests issued by any court, legal or regulatory bodies including rules and regulations relating to anti-money laundering and countering the financing of terrorism and the carrying out of audit checks, surveillance and investigation;
- (d) preventing, detecting and investigating crime, offence or unlawful activity including but not limited to fraud, money-laundering, terrorist financing and bribery, and analysing and managing commercial risks;
- (e) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction;
- (f) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction;
- (g) providing client-related services including providing customer support, responding to queries or feedback given by investors or persons acting on behalf of investors, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to investors or persons acting on behalf of investors;
- (h) verifying the identity of investors or persons acting on behalf of investors;
- (i) reviewing and approving investors' account(s), and the conduct of initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing creditworthiness and standing;
- (j) legal claims, actions or proceedings including but not limited to drafting and reviewing documents, obtaining legal advice and facilitating dispute resolution or exercising or enforcing the rights of a Recipient under contract or pursuant to applicable laws and regulations;
- (k) administering, operating, processing or managing the Units or the Fund;
- (l) meeting or complying with the Recipient's internal policies and procedures;

- (m) handling feedback, queries or complaints;
- (n) maintaining the security of the Recipient's premises including but not limited to the use of forms of surveillance such as security cameras;
- (o) facilitating any proposed or actual business assignment, transfer, participation or sub-participation in any of the Recipient's rights or obligations in respect of the investor's relationship with the Recipient;
- (p) designing and marketing financial services or related products;
- (q) conducting general administration in relation to the above;
- (r) such other purposes as set out in the Trustee's data protection policy and data privacy statement (as each may be amended from time to time, copies of which are available at <https://www.business.hsbc.com.sg/en-sg/regulations/privacy-and-security>); and
- (s) all purposes reasonably related to one or more of the above.

Where you provide personal data relating to third party individuals to a Recipient, you warrant that the prior consent of such third party individual has been obtained, which will allow a Recipient to collect, use, disclose, process and store that personal data in the manner and for the purposes described above, and you consent and acknowledge to all such collection, use, disclosure, process and storage on behalf of that third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (a) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (b) related corporations of ours, the Trustee, the Custodian or the registrar; and (c) any agent, contractor or third party service provider who provides administrative, mailing, data processing, business process, human resource, information technology or other services to a Recipient in connection with the operation of the business of a Recipient or the administration and operation of the Fund.

You may, after consenting to the collection, use, disclosure, process and storage of Data, withdraw your consent by giving notice in writing to us, whether directly or through our appointed agents or the Distributing Agents. You should note that we (in consultation with the Trustee) could deem a notice of withdrawal of consent to be a request for the redemption of all your Units.

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

## SINGAPORE INDEX FUND

The Singapore Index Fund (the "**Fund**") offered in this Prospectus is an authorised scheme under the Securities and Futures Act 2001 ("**SFA**"). A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund. The meanings of terms not defined in this Prospectus can be found in the Deed.

### 1. Basic Information

#### 1.1 Singapore Index Fund

The Fund is an open-ended standalone unit trust scheme constituted in Singapore on 12 November 1996. The Fund is presently offering for subscription Units in the Fund for such periods as we may decide. Each Unit represents an undivided share in the Fund.

#### 1.2 Date of Registration and Expiry of Prospectus

The date of registration of this Prospectus with the Authority is 20 October 2023. This Prospectus will be valid for a period of 12 months after the date of registration (i.e. up to and including 19 October 2024) and will expire on 20 October 2024.

#### 1.3 Trust Deed and Supplemental Deeds

1.3.1 The Deed of Trust relating to the interests being offered for subscription or purchase (the "**Principal Deed**") is dated 12 November 1996 and the parties to the Principal Deed are Singapore Consortium Investment Management Limited (the "**Managers**") and HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**").

1.3.2 The Principal Deed has been amended by the following deeds (the "**Supplemental Deeds**"):

Supplemental Deed	Dated
Supplemental Deed	28 January 1999
Second Supplemental Deed	26 January 2000
Third Supplemental Deed	19 January 2001
Amending and Restating Deed	24 January 2003
Second Amending and Restating Deed	24 January 2005
Third Amending and Restating Deed	23 January 2006
Fourth Amending and Restating Deed	5 January 2007
Fifth Amending and Restating Deed	12 December 2008
Sixth Amending and Restating Deed	8 December 2009
Seventh Amending and Restating Deed	30 November 2010
Eighth Amending and Restating Deed	28 September 2011
Ninth Amending and Restating Deed	15 November 2012
Tenth Amending and Restating Deed	17 February 2014
Fourth Supplemental Deed	31 July 2015
Eleventh Amending and Restating Deed	28 October 2016
Twelfth Amending and Restating Deed	27 October 2017



The Principal Deed as amended by the Supplemental Deeds is referred to as the "**Deed**".

- 1.3.3 The terms and conditions of the Deed are binding on each holder of Units (referred to as a "**Holder**") and persons claiming through such Holder as if (a) such Holder had been a party to the Deed and (b) the Deed contained covenants on such Holder to observe and be bound by the provisions of the Deed and an authorisation by each Holder to do all such acts and things as the Deed may require the Trustee and/or us to do.
- 1.3.4 A copy of the Deed is available for inspection free of charge at our operating office at 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541 during normal business hours (subject to such reasonable restrictions as we may impose) and will be supplied by us upon request at a charge of S\$25 per copy of the document (or such other amount as we and the Trustee may agree).
- 1.3.5 Please note that this Prospectus does not contain all of the provisions of the Deed and those stated here have, to a large extent, been summarised. ***You should refer to the Deed for details.***

## **1.4 Accounts and Reports**

Copies of the Fund's latest semi-annual and annual reports, semi-annual and annual accounts as well as the auditors' report on the annual accounts may be obtained, upon request, during normal business hours (subject to such reasonable restrictions we may impose) from our operating office at 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541.

## **2. The Managers**

### **2.1 The Managers**

We, Singapore Consortium Investment Management Limited ("**SICIM**"), are the Managers and our registered office is at 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541.

We hold a capital markets services licence issued by the Authority to carry on business in fund management for retail investors, and have been managing the Fund in Singapore since 1996. As of 28 September 2023, we are also the managers of Global Investments Limited ("**GIL**"), a mutual fund company listed on the Mainboard of the SGX-ST.

We were incorporated in Singapore on 18 October 1996. Our current issued and paid-up share capital is S\$510,000, comprising 510,000 ordinary shares.

Prior to 29 December 2015, we were owned by Nikko Asset Management International Limited, UOB Asset Management Ltd and Oversea-Chinese Banking Corporation Limited in equal shares. Pursuant to a share purchase agreement dated 25 November 2015, all the shares in our capital were sold to Allgrace Investment Management Private Limited ("**AIM**") on 29 December 2015 and we became a wholly owned subsidiary of AIM. On 12 June 2019, our Chief Executive Officer, Ms Tan Mui Hong acquired 49% of all the shares in our capital pursuant to a share purchase agreement dated 11 June 2019 and AIM continues to hold 51% of all the shares in our capital.

Our role and responsibilities are set out in the Deed. We are responsible for, among other things, the issue, cancellation and realisation of Units, the investment management of the Deposited Property (as defined in the Deed) of the Fund, the determination of distributions by the Fund (if any) and the administration of the Fund.

We have delegated our accounting and valuation functions in respect of the Fund to the administrator whose details are set out in paragraph 6.

We will remain as the managers of the Fund until we retire or are removed pursuant to the Deed. A summary of the provisions relating to the retirement and removal of the Managers is

set out in paragraph 24.5 (including if we go into liquidation (except a voluntary liquidation for reconstruction or amalgamation upon previously approved terms) or if a receiver is appointed over any of our assets or a judicial manager is appointed in respect of us).

## **2.2 Directors of the Managers**

The names, relevant experience and directorships of the Directors are as follows:

### **Boon Swan Foo**

Mr Boon Swan Foo is our Executive Director and Chairman.

Mr Boon is also the Chairman and non-executive Director of GIL, a mutual fund company listed on SGX-ST. Mr Boon served as Chief Executive Officer and Deputy Chairman of ST Engineering Ltd from October 1997 to May 2001, and was the Managing Director of Agency for Science, Technology and Research ("**A\*STAR**") from January 2002 to January 2006. He also served concurrently as Executive Chairman of Exploit Technologies Pte Ltd, the commercial arm of A\*STAR, from August 2001 to December 2009. For his stewardship of ST Engineering Ltd, Mr Boon was awarded one of Singapore's most prestigious business awards, the Singapore Business Award for Outstanding CEO in 2000. Mr Boon was also Chairman of ST Asset Management Ltd. from April 2010 to December 2011.

Mr Boon has extensive international board experience in various industries, having served as a director on the Board of Intouch Holdings Plc, a telecommunications and satellite holding company (listed in Thailand), MIH Holdings Limited, an investment holding and internet company (South Africa), Dongfeng Motor Corporation, an automobile manufacturer (China), China National Offshore Oil Corporation, a national oil company (China), China Huadian Corporation, a power generation company (China), China Baowu Steel Group Corporation Limited, the world's largest steel producer (China) and Orica Limited, one of the world's largest providers of commercial explosives and blasting systems (listed in Australia). Mr Boon was also an advisor to the Dean's Council of Harvard's Kennedy School of Government (U.S.A), Motorola Inc. Research Visionary Board (U.S.A), Commercialisation Advisory Board of Imperial College (U.K) and Advanced Institute of Science & Technology (Japan).

Mr Boon is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Chartered Association of Certified Accountants (UK)-ACCA. He holds an MBA from the National University of Singapore and has completed Harvard's Advanced Management Program.

### **Tan Mui Hong**

Ms Tan Mui Hong is our Executive Director and Chief Executive Officer ("**CEO**").

Ms Tan has more than 30 years of extensive experience in managing fund management and trust companies which invest in the full spectrum of financial instruments ranging from public equities, bonds, loans, asset backed securities, currencies to alternative investments such as private equity, hedge funds, derivatives and commodities. She was also involved in launching and managing collateralised debt obligations from 1998 to 2015.

Ms Tan was the President and CEO of ST Asset Management Ltd ("**STAM**") and Chairman of STAM's Investment Committee from 2002 to 2019, during which STAM's assets under management grew to more than S\$6 billion by December 2006. Concurrently, Ms Tan was also the Executive Director of ST Trustees Ltd (established in 2005, holding a trust business licence from Monetary Authority of Singapore) which offers fiduciary trust services. From February 2004 to August 2008, Ms Tan also concurrently held the positions of Group President & CEO of Vertex Venture Holdings Ltd and President & CEO of Vertex Management (II) Pte Ltd.

Prior to STAM, Ms Tan spent 11 years with the Overseas Union Bank Limited ("**OUB**") group which she joined in 1990 and last appointed as Senior Vice President (Fund Management). Ms Tan was appointed Executive Director & Chief Executive Officer of OUB Asset

Management Ltd ("**OUBAM**") (a wholly owned subsidiary of OUB) in 1994. Under her stewardship, assets under management at OUBAM grew from S\$400 million to S\$5.6 billion in April 2002, making OUBAM one of the largest local bank-backed fund management houses in Singapore and a leading Asian manager of structured finance products.

During her tenure at OUB, she was appointed director of several OUB group companies namely, Overseas Union Bank Trustees Ltd, OUB Optimix Funds Management Ltd, OUB-TA Asset Management Sdn Bhd and OUB Investments Pte Ltd. Subsequent to the takeover of OUB by United Overseas Bank Limited ("**UOB**") in 2001, she also served as the Managing Director & Chief Operating Officer of UOB Asset Management Ltd and a Director of United International Securities Trading Pte Ltd and United Overseas Bank Trustees Limited.

Previously, she held directorship in Singapore Consortium Investment Management Ltd (1996 to 2002) and Singapore Corporation of Rehabilitative Enterprises (2003 to 2012). She was also a board member of Workforce Development Agency ("**WDA**") and Chairman of its Investment Committee from 2007 to 2016. After WDA was restructured into SkillsFuture Singapore Agency ("**SSG**") and Workforce Singapore, she continued to serve as a board member and Chairman of the Investment Committee in SSG from 2016 to 2017. She served as a board member of China-Singapore Suzhou Industrial Park Development Group Co., Ltd and Chairman of its Audit Committee for 6 years from 2017 to 2023.

Ms Tan holds a Bachelor of Accountancy (2<sup>nd</sup> Class Honours) from the University of Singapore, Master of Business Administration from the National University of Singapore and Master of Science (Business) from the Nanyang Technological University of Singapore and has completed the Advanced Management Program at Harvard Business School. She was awarded Singapore's National Day Public Service Medal in 2012.

#### **Tan Hui Keng Martha**

Ms Tan Hui Keng Martha is our non-executive Director.

Ms Tan was previously an audit partner of KPMG LLP from 1989 to 2005 and has more than 25 years of experience in the public accounting field, which includes auditing, taxation, public listings, due diligence, mergers and acquisitions, internal control reviews and general business advisory services.

She was a Director of STAM from 2010 to 2011 and a Director of Vertex Management (II) Pte Ltd from 2007 to 2009. She is currently a non-executive Director of Singapura Finance Limited, a Finance Company licenced by the Authority and listed on the Main Board of the SGX-ST.

Ms Tan holds a Degree (Honours) in Accountancy from the University of Singapore and is a Fellow member of the Institute of Singapore Chartered Accountants.

#### **Chew Seng Fang**

Ms Chew Seng Fang is our non-executive Director.

Ms Chew has more than 35 years of experience in corporate and personal tax planning. She was the tax director of Johnson & Johnson (S) Pte Ltd from 2009-2015 and was responsible for ensuring tax compliance, managing tax risks and optimising tax position through tax planning and structuring initiatives.

Ms Chew was the Regional Tax Controller of ICI Management (Singapore) Pte Ltd from 2000 to 2009. She held the position of Assistant Regional Tax Manager of BP Asia Pacific Pte Ltd from 1991 to 2000.

Ms Chew holds a Bachelor of Accountancy degree from the University of Singapore.

The office address of the Directors is 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541.

***The past performance of the Directors is not necessarily indicative of their future performance.***

### **2.3 Key Executives of the Managers**

**Ms Tan Mui Hong** (whose details are set out in paragraph 2.2) is our Executive Director and CEO. She is the principal portfolio manager managing the assets of the Fund and she also serves as the Chairman of our Investment Committee and Investment Division.

**Mr Boon Swan Foo** (whose details are set out in paragraph 2.2) is our Executive Director and Chairman. He serves as a member of our Investment Committee.

***The past performance of the key executives is not necessarily indicative of their future performance.***

### **3. The Trustee**

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited whose registered address is at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983. The Trustee was incorporated in Singapore on 24 February 1949. As at 1 January 2023, it has an issued and paid-up share capital of S\$5,150,000. The Trustee is regulated in Singapore by the Authority.

The Trustee is responsible for, among other things, keeping and maintaining the register of Holders (the "**Register**") and the safe custody of the Deposited Property of the Fund.

The Trustee does not have any material conflict of interest with its position as trustee of the Fund. Please refer to paragraph 21 for more information on conflicts of interest.

Under and subject to the terms of the Deed, the Trustee is entitled (for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee) to have recourse to the assets of the Fund.

The Trustee will remain as the trustees of the Fund until it retires or is removed pursuant to the Deed. A summary of the provisions relating to the retirement and removal of the Trustee is set out in paragraph 24.4 (including if the Trustee goes into liquidation (except a voluntary liquidation for reconstruction or amalgamation) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the Trustee).

Please refer to the Deed for details on the Trustee's role and responsibilities.

### **4. The Custodian**

The custodian of the Fund ("**Custodian**") is The Hongkong and Shanghai Banking Corporation Limited. It was incorporated in Hong Kong on 14 August 1866 and its registered office is at 1 Queen's Road Central, Hong Kong.

The Custodian was established and has been based in Hong Kong since 1865 and is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group. It is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

As at 1 January 2023, the Custodian's paid-up share capital constitutes an aggregate of HK\$123,949,000,000 and US\$7,198,000,000 now represented by its 49,579,391,798 ordinary shares in issue.

The Trustee has appointed the Custodian as the global custodian to provide custodial services to the Fund globally. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian's duties in specific jurisdictions where the Fund invests.

The Custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall 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, clear commitment to the custody business, adoption of international standards etc. All sub-custodians appointed will, if required by the law applicable to them, be licensed and regulated to carry out the relevant financial activities in the relevant jurisdiction.

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 Deed, appoint such person as the new custodian to provide custodial services to the Fund globally.

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

## **5. The Register of Holders**

The registrar of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the "**Registrar**") and the Register is kept and maintained at 20 Pasir Panjang Road (East Lobby), #12-21 Mapletree Business City, Singapore 117439. The Register is accessible to the Holders during normal business hours subject to such reasonable restrictions as the registrar may impose. The Trustee may appoint any other party (including, without limitation, the Managers) to carry out and administer the Trustee's duties in relation to keeping and maintaining the Register.

The Register is conclusive evidence of the number of Units held by each Holder and the details in the Register will prevail in the event of 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 Trustee and us that the Register is incorrect.

For so long as the Units are listed, quoted and traded on the SGX-ST, the Trustee will procure that the CDP maintains a record of the depositors having Units credited into their respective Securities Accounts. This record is made available to us.

## **6. The Administrator**

The administrator of the Fund is HSBC Institutional Trust Services (Singapore) Limited, whose registered office is at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983. Details on the administrator are set out in paragraph 3. The administrator has been appointed to provide services for the Fund in relation to, inter alia, calculation of the Value of the Deposited Property and preparation of the financial statements, and its fees will be paid out of the Fund.

The administrator will remain as the administrator of the Fund until its appointment is terminated in accordance with the terms of its appointment.

## **7. The Auditors**

The auditors of the accounts relating to the Fund are PricewaterhouseCoopers LLP (the "**Auditors**"), whose registered address is at 7 Straits View, Marina One, East Tower, Level 12 Singapore 018936.

## **8. Investment Objective, Focus and Approach**

### Investment Objective

- 8.1** The main objective of the Fund is to achieve medium to long-term capital appreciation by investing in the component securities of the Straits Times Index (which securities are listed on the SGX-ST). There is no target industry or sector. The Fund will track the respective weightings of the component securities of the Straits Times Index.

### The Index

- 8.2** The Straits Times Index was originally created by SPH Media Ltd. (previously Singapore Media Trust). The Straits Times Index is an index calculated by FTSE Russell ("**FTSE**") with data from SGX-ST (such parties, together with The London Stock Exchange Plc, The Financial Times Limited and SPH Media Ltd., are referred to as the "**Index Sponsors**") to provide a benchmark index representing the performance of the top 30 companies listed on the SGX-ST ranked by market capitalisation.
- 8.3** As at 21 September 2023, the 10 largest constituents of the Straits Times Index are as follows:

	<b>Company</b>	<b>Index weight (%)</b>
(1)	DBS Group Holdings Limited	20.08
(2)	Oversea-Chinese Banking Corporation	14.61
(3)	United Overseas Bank Limited	11.44
(4)	Singapore Telecommunications Limited	6.09
(5)	Jardine Matheson Holdings Limited	4.18
(6)	CapitaLand Ascendas REIT	3.30
(7)	CapitaLand Integrated Commercial Trust	3.20
(8)	Keppel Corporation Limited	3.11
(9)	Singapore Airlines Limited	3.03
(10)	Singapore Exchange Limited	2.67

*Please note that the composition and the respective weightings of the component securities of the Straits Times Index may change from time to time. You should consider the risks associated with the use of the Straits Times Index as set out in paragraph 10.2.*

- 8.4** The Index Sponsors determine the composition of the Straits Times Index in accordance with their rules and procedures (which may change from time to time), and publish information regarding the composition, investment characteristics and return of the Straits Times Index. The latest information on the Straits Times Index including the index methodology may be obtained from [www.ftserussell.com](http://www.ftserussell.com). None of the Index Sponsors are related to us.

### Investment Focus and Approach

- 8.5** A full replication strategy or similar strategy is intended to be employed for the Fund. In other words, generally all or substantially all of the Fund's assets will be invested in the constituent securities of the Straits Times Index, broadly in proportion to the respective weightings of the constituent securities in the index.
- 8.6** While the Fund will aim to follow the Straits Times Index as closely as possible, the Fund's performance will not be able to match exactly the performance of the Straits Times Index. Various circumstances may make it impossible or impracticable to purchase each component security with the same weightings and other investment techniques to track the index may be employed. As the constituents of the Straits Times Index changes over time, the Fund's portfolio of investment will be rebalanced and this may include selling securities that are represented in the index, or purchase securities that are not yet represented in the index, in anticipation of their removal from or addition to the index (as the case may be). We periodically monitor the weightings of the constituents of the Fund and endeavour to limit the deviation from the weightings of each constituent of the Straits Times Index to no more than 2 percentage points.

**8.7** As at 30 June 2023, the 10 largest investments of the Fund (including 5 of which value is greater than 5% of the Fund's Value) are as follows:

	<b>Security</b>	<b>Number of shares held by the Fund</b>	<b>Market value of shares (SGD)</b>	<b>Percentage of market value over Value of the Fund (%)</b>
(1)	DBS Group Holdings Limited	239,287	7,539,933	18.66
(2)	Oversea-Chinese Banking Corporation	464,706	5,706,590	14.12
(3)	United Overseas Bank Limited	174,757	4,893,196	12.11
(4)	Singapore Telecommunications Limited	939,690	2,349,225	5.81
(5)	Jardine Matheson Holdings Limited	30,387	2,082,943	5.16
(6)	Keppel Corporation Limited	188,650	1,265,842	3.13
(7)	CapitaLand Ascendas REIT	451,046	1,226,845	3.04
(8)	CapitaLand Integrated Commercial Trust	620,355	1,184,878	2.93
(9)	CapitaLand Investment Limited	347,400	1,149,894	2.85
(10)	Wilmar International Limited	279,100	1,060,580	2.63

	<b>Security</b>	<b>By Industry – (Primary)<sup>1</sup></b>	<b>Cost</b>	<b>Percentage of share capital owned</b>	<b>Dividends received</b>	<b>Dividend cover ratio<sup>2</sup></b>
			<b>SGD</b>	<b>%</b>	<b>SGD</b>	
(1)	DBS Group Holdings Limited	Financials	3,117,101	0.009	492,931	1.59
(2)	Oversea-Chinese Banking Corporation	Financials	3,365,317	0.010	316,000	1.86
(3)	United Overseas Bank Limited	Financials	2,331,501	0.010	235,922	2.24
(4)	Singapore Telecommunications Limited	Communication Services	2,764,390	0.006	111,823	0.90
(5)	Jardine Matheson Holdings Limited	Industrials	2,539,578	0.011	88,861	0.57
(6)	Keppel Corporation Limited	Industrials	661,171	0.011	62,255	1.59
(7)	CapitaLand Ascendas REIT	Real Estate	1,076,344	0.015	65,561	1.15
(8)	CapitaLand Integrated Commercial Trust	Real Estate	1,082,270	0.007	64,765	1.03
(9)	CapitaLand Investment Limited	Real Estate	599,247	0.007	41,688	0.95
(10)	Wilmar International Limited	Consumer Staples	1,531,391	0.004	47,447	3.02

<sup>1</sup>The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

<sup>2</sup>Dividend cover ratio is the ratio of the company's net profit attributable to ordinary shareholders over the dividend payout as published in the latest annual report.

### Authorised Investments

**8.8** Subject to the MAS Code on Collective Investment Schemes ("**Code**"), the Fund is authorised to invest in the following authorised investments ("**Authorised Investments**"):

8.8.1 any Investment (as defined in the Deed) in or over the component securities of the Straits Times Index (including but not limited to instruments used in tracking the Straits Times Index), subject always to the investment restrictions as set out in paragraph 25; and

8.8.2 for hedging and/or efficient portfolio management purposes only, any foreign exchange transactions.

We do not intend to use financial derivatives (including options, warrants and futures contracts) in our management of the Fund and do not carry out securities lending and repurchase transactions for the Fund. In addition, there is currently no intention to invest the assets of the Fund in commodities, unlisted securities or precious metals.

**8.9** An Investment (as defined in the Deed) which may be selected by us for the purpose of investment does not require the Trustee's prior approval or consent so long as such Investment falls within the definition of an Authorised Investment as set out above.

**8.10** The Deed further provides that, subject to Clause 16(C) of the Deed, any requisite consents from the competent authorities, any borrowing limits set out in the Code and any statutory requirements for the time being in force, the Trustee will at any time as we may from time to time request, make and vary arrangements for the borrowing by the Trustee for the account of the Fund, of any currency, for the purposes of meeting redemptions and short term (not more than 1 month) bridging requirements including, without limitation, the purpose of enabling us to acquire Authorised Investments for the account of the Fund. The terms and conditions of any borrowing are subject to determination by the Trustee with our written approval and to certain limitations set out in the Deed and the Code.

### **8.11** Product Suitability

The Fund is only suitable for investors who:

8.11.1 seek medium to long term capital appreciation;

8.11.2 seek an investment that tracks the component securities of the Straits Times Index;

8.11.3 believe that the Straits Times Index will increase in value; and

8.11.4 are comfortable with the volatility and risks of an equity fund.

## **9. Fees and Charges**

<b>Fees payable by a Holder <sup>(1)</sup></b>	
Preliminary Charge (on gross investment amount):	Currently 2%; maximum 5%.
Realisation Charge (on gross realisation proceeds):	Currently nil; maximum 2%.

<sup>(1)</sup> Please refer to your brokers for the fees and charges payable by you if you deal or trade in the Units on the SGX-ST. This may include clearing fees and trading fees of the SGX-ST and the brokerage fees and charges of the broker.



<b>Fees payable by the Fund to the Managers, the Trustee and other parties</b>	
Annual management fee: (payable to the Managers)	Currently 0.625% p.a.; maximum 1% p.a. The Managers currently do not pay any trailer fees to financial advisers.
Annual trustee fee: (payable to the Trustee)	Currently up to 0.07% p.a.; maximum 0.1% p.a. Subject always to a minimum of S\$20,000 p.a.
Registrar fee: (payable to the Registrar)	S\$15,000 p.a. plus transaction based fees (at normal commercial rates) and out-of-pocket expenses.
Audit fee <sup>(2)</sup> (payable to the Auditors), custodian fee <sup>(3)</sup> (payable to the Custodian), transaction costs <sup>(4)</sup> and other fees and charges <sup>(5)</sup>	Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that each fee or charge bears to the Value of the Fund.

(2) The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts and the average Value of the Fund for the financial year ended 30 June 2023, the audit fee did not amount to or exceed 0.1% in that financial year.

(3) The custodian fee payable is subject to agreement with the Custodian and will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Fund. Based on the audited accounts and the average Value of the Fund for the financial year ended 30 June 2023, the custodian fee did not amount to or exceed 0.1% in that financial year.

(4) Transaction costs include all expenses relating to the purchase and sale of financial instruments. Based on the audited accounts and the average Value of the Fund for the financial year ended 30 June 2023, the transaction costs did not amount to or exceed 0.1% in that financial year.

(5) Other fees and charges include professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts and the average Value of the Fund for the financial year ended 30 June 2023, the other fees and charges did not amount to or exceed 0.1% in that financial year.

**9.1** As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund will be borne by us and not charged to or borne by the Deposited Property of the Fund.

**9.2** Any Preliminary Charge and Realisation Charge will be retained by us for our own benefit, and will not form part of the Deposited Property of the Fund. We may pay a fee or commission to the Distributing Agents to sell or procure the Units to be sold. Any commission, remuneration or other sum payable to agents in respect of the issue or sale of any Units will be paid by us. Please note that the Distributing Agents may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and you should check with the relevant Distributing Agent on such fees and charges, if any.

**9.3** We may at any time differentiate between investors as to the amount of the Preliminary Charge, Realisation Charge and other charges (if any) payable to us upon the issue or realisation of Units of the Fund, or allow discounts on such basis and to such extent as we may think fit (such discounts will not be borne by the Fund), or to waive such fees and charges.

## **10. Risks**

### **10.1 General risks**

You should consider and satisfy yourselves as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered by you are market, liquidity, political, currency and investment risks.

An investment in the Fund is meant to produce returns over the medium to long-term. You should not expect to obtain short-term gains from such investment.

You should note that the value of Units, and the income accruing to the Units, may fall or rise and that you may not get back your original investment. There is no guarantee that the investment objectives of the Fund will be achieved.

### **10.2 Risks associated with an index trading fund**

***The information on the Straits Times Index has been extracted from publicly available documents that have not been prepared or independently verified by us or the Trustee in connection with the offer and listing of Units and neither of us makes any representation as to or takes any responsibility for the accuracy or completeness of the information. The information on the Straits Times Index may be changed by the Index Sponsors from time to time.***

#### **10.2.1 Concentration risk**

The Straits Times Index is concentrated on the SGX-ST and accordingly, the Singapore market. Changes in the financial condition and changes in economic or political conditions that affect a particular issuer or the SGX-ST can affect the value of the issuer's securities or of the securities that are being traded on the SGX-ST. Any change to the value of such securities may affect the value of Units.

#### **10.2.2 Composition of Index**

Indices are not actively managed and the selection of the component indices, assets or securities will be made in accordance with the relevant index composition rules and eligibility criteria and by reference to performance criteria or performance outlook. Accordingly, the composition of an index is not designed to follow recommendations or research reports issued by the index provider / sponsor or any other person. No index provider / sponsor has any obligation to take the needs of the Fund or the investors of the Fund into consideration in determining, composing or calculating the relevant index.

The Units are not in any way sponsored, endorsed, sold or promoted by the Index Sponsors. The Index Sponsors make no warranty or representation whatsoever, either expressly or impliedly, either as to the results to be obtained from the Straits Times Index and/or the figure at which the Straits Times Index stands at any particular time on any particular day or otherwise.

The Index Sponsors further do not warrant nor represent nor guarantee to any broker or Holder or any member of the public as to the accuracy or completeness of the Straits Times Index and its computation or any information related thereto. No warranty or representation or guarantee of any kind whatsoever relating to the Straits Times Index or the Units is given by the Index Sponsors. The Units are not issued, endorsed, sold or promoted by the Index Sponsors and the Index Sponsors bear no liability in connection with the administration, marketing or trading of the Units.

The Straits Times Index is calculated by FTSE. The accuracy and completeness of the computation may be affected by, without limitation, the availability and accuracy of prices for constituent securities, market forces and errors in its compilation. The Index Sponsors accept no liability (whether in negligence or otherwise) towards any person for any error in the Straits Times Index and will not be under any obligation to advise

any person of any error. The compilation or composition of the Straits Times Index or the constituent stocks and factors may be altered or changed by the Index Sponsors without notice.

Straits Times, Straits Times Index, ST and STI are trademarks of SPH Media Ltd.

### 10.2.3 Passive Investment

The Fund is not actively managed. Accordingly, the Fund may be affected by a decline in the market segments that affect the Straits Times Index. Since the Fund will track the respective weightings of the component securities of the Straits Times Index, adverse changes in the financial condition or share performance of any company included in the Straits Times Index may not result in the sale of the shares of such company, and such adverse changes will likely adversely affect the Fund's Value. We do not attempt to select stocks individually or to take defensive positions in declining markets. We may lack the discretion to adapt to market changes. ***A fall in the Straits Times Index may result in a corresponding fall in the Value of the Fund.***

### 10.2.4 Use of the Straits Times Index

We have been granted a licence by FTSE to use the Straits Times Index in connection with the issue, operation, marketing and promotion of the Fund. The Fund may be terminated if the index licence agreement is terminated or the Straits Times Index is no longer available for benchmarking and we are unable to identify or agree with FTSE or any other index provider terms for the use of a suitable replacement index that uses, in our opinion, the same or substantially similar formula for the method of calculation as the Straits Times Index. Any such replacement index will be notified to Holders. Accordingly, please note that the ability of the Fund to track the Straits Times Index depends on the continuation in force of the index licence agreement in respect of the Straits Times Index or a suitable replacement.

During the transition period when a replacement index is not available, we will continue to manage the Fund's portfolio in a manner consistent with the passive style of an index-tracking fund and in accordance with the methodology of the Straits Times Index to the extent that we are able to determine.

### 10.2.5 Tracking Error Risk

There is no assurance that the Fund will be able to fully track the performance of the Straits Times Index.

"**Tracking error**" is the difference between the performance of a fund's portfolio and that of its underlying index. The Value of the Fund may not correlate exactly with the Straits Times Index and changes in the Value of the Fund are unlikely to replicate exactly changes in the Straits Times Index. Factors such as the fees, costs and expenses of the Fund, imperfect correlation between the Fund's assets and the securities constituting the Straits Times Index, rounding of share prices, changes to the Straits Times Index, regulatory policies, investment and regulatory constraints, foreign currency valuation, unexpected financing costs in the event of severe market movements, inability to rebalance in response to changes in the Straits Times Index and the existence of a cash position held by the Fund may affect our ability to achieve close correlation with the performance of the Straits Times Index. The Fund's returns may therefore deviate from the Straits Times Index resulting in a tracking error. However, such tracking errors are not expected to be significant. As far as possible, we will seek to minimise tracking errors by minimising the cash holdings of the Fund.

### **10.2.6 Sustainability Risk**

The Straits Times Index does not take into account Environmental, Social and Governance ("**ESG**") factors by design. As such, a company included in the Straits Times Index may not exhibit positive or favourable ESG characteristics. While we manage and mitigate sustainability risk by incorporating sustainability risk considerations into our stewardship frameworks, there can be no assurance that the utility and value of assets held by companies to which the Fund is exposed to will not be adversely impacted by sustainability risk.

"**Sustainability Risk**" refers to an environmental, social, or governance event, or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment arising from an adverse sustainability impact.

## **10.3 Other risks**

### **10.3.1 Market risk**

The usual risks of investing and participating in securities apply. Issuers whose securities make up the Straits Times Index may have businesses and operations in various markets. Prices of such securities may go up or down in response to changes in economic conditions, interest rates, and the relevant market's perception of such securities. These may cause the price of Units to go up or down as the price of Units is based on the current market value of the investments of the Fund.

### **10.3.2 Equity risk**

The Fund invests in stocks and other equity securities which are subject to market risks that historically have resulted in greater price volatility than experienced by bonds and other fixed income securities. This in turn may affect the Value or volatility of the Fund.

### **10.3.3 Political risk**

Global political situations may have an impact on companies in the Asian region. This may affect the value of the securities of companies involved, which may in turn impact on the value of the Units.

### **10.3.4 Foreign exchange / currency risk**

The Straits Times Index is computed in Singapore Dollars but some of its component securities are quoted in foreign currencies. The Value of the Fund will therefore be affected by fluctuations of the exchange rates of foreign currencies against the Singapore Dollar. Additionally, the Fund will invest in companies with foreign currency earnings. There is therefore the risk that any fluctuations in these foreign currencies may also affect the income, the valuation of the assets of the Fund and the gains and losses realised upon the sale of assets. We may, if we deem fit, employ currency hedging techniques to manage the impact of foreign currency fluctuations on the Fund. However, we do not currently intend to hedge against foreign currency fluctuations.

### **10.3.5 Investment risk**

An investment in unit trusts is subject to investment risks, including possible loss of the principal amount invested.

### **10.3.6 Liquidity risk**

Some of the securities that the Fund may invest in may have limited liquidity and may therefore affect the Fund's ability to acquire or dispose of such securities at the time and price it desires.

We monitor and manage the liquidity risk of the Fund throughout its lifecycle. This includes ongoing monitoring of investors' redemption patterns and conducting regular assessments on the liquidity profile of the Fund's liabilities and assets. This is to facilitate the Fund's ability to anticipate or identify an emerging liquidity shortage before it occurs, and to take appropriate steps to minimise impact to investors.

### **10.3.7 Operating cost**

There is no assurance that the performance of the Fund will achieve its investment objective. The level of fees and expenses payable by the Fund will fluctuate in relation to its Value. Although the amounts of certain ordinary expenses of the Fund can be estimated, the growth rate of the Fund, and hence its Value, cannot be anticipated. Please also note that we and the Trustee have the discretion to increase our respective fees up to the maximum level as provided in paragraph 9. The expenses of the Fund (such as, legal, audit and other professional fees) may also increase from time to time in line with market conditions. Accordingly, no assurance can be given as to the performance of the Fund or the actual level of its expenses.

### **10.3.8 Actions of institutional investors**

We may accept subscriptions from institutional investors and such subscriptions may constitute a large portion of the total investments in the Fund. Whilst these institutional investors will not have any control over our investment decisions, the actions of such investors may have a material effect on the Fund. For example, substantial realisations of Units by an institutional investor over a short period of time could necessitate the liquidation of the Fund's assets at a time and in a manner which does not provide the most economic advantage to the Fund and which could therefore adversely affect the value of the Fund's assets.

### **10.3.9 Risk of exceptional market conditions**

Under certain market conditions, it may be difficult or impossible to liquidate or rebalance positions. For example, this may occur during volatile markets or crisis situations or where trading under the rules of the relevant stock exchange is suspended, restricted or otherwise impaired. During such times, the Fund may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit a Fund's losses to intended amounts as market conditions may make it impossible to execute such an order at the ideal price. In addition, such circumstances may force the Fund to dispose of assets at reduced prices, thereby adversely affecting the Fund's performance. Further, such investments may be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the Fund incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Additionally, in a market downturn, the Fund's counterparties' financial conditions could be weakened, thereby increasing the Fund's credit risk.

### **10.3.10 Trading in Units on the SGX-ST**

#### **(a) Trading may be suspended and Units may be delisted**

You will not be able to purchase or sell Units on the SGX-ST during any period when trading in the Units is suspended by the SGX-ST. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. The creation and realisation 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. There is no assurance that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change the listing requirements. The Fund may be terminated if Units are delisted from the SGX-ST.

Dealings of Units on the SGX-ST may not necessarily be suspended in the event that the issue and realisation of Units is temporarily suspended by us or the Trustee in accordance with the terms of the Deed. If the issue and realisation of Units is temporarily suspended, the trading price of the Units may be adversely affected and may differ from the Value of the Fund.

**(b) Units may trade at prices other than Value**

The Value per Unit of the Fund represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this Value per Unit. The deviation from this 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. There is a risk, therefore, that Holders may not be able to buy or sell Units listed on the SGX-ST at a price close to the Value per Unit of the Fund. The "bid/ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from this Value per Unit. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from this Value per Unit.

**(c) Trading and realisation of Units**

Not all Units issued are listed on the SGX-ST. Unlisted Units will have to be realised by us in accordance with the realisation provisions under paragraph 13.

Please be aware that there may be no liquid trading market for Units which are listed on the SGX-ST. There can be no assurance that active trading markets for such Units will develop, nor is there a certain basis for predicting the actual price levels at, or sizes in, which Units may trade. If you are unable to sell your Units on the SGX-ST, you may apply to have your Units transferred out of your Securities Account and realised by us.

**10.3.11 Broker risk**

We may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the Fund and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in its transactions, we consider, amongst other things, the range and quality of the professional services provided by such brokers and dealers, the credit standing of such brokers and dealers, and the licensing or regulatory status of such brokers and dealers.

It is possible that the brokers or dealers with which the Fund do business may encounter financial difficulties that may impair the operational capabilities of the Fund. In the event that one of these brokers or dealers were to fail or become insolvent, there is a risk that the Fund's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not be settled.

### 10.3.12 Counterparty risk

Where the Fund enters into over-the-counter transactions, the Fund is exposed to the risk that a counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which the Fund seeks to enforce its rights. The Fund may also be unable to realise any gains on the investment during such period and may incur fees and expenses to enforce its rights. There is also a possibility that the contracts may be terminated due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the agreement was entered into.

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

## 11. Listing on SGX-ST

The Fund was admitted to the Official List of the SGX-ST on 20 December 1996.

Units credited into a Securities Account may be traded on SGX-ST via the CDP's electronic book-entry (scripless) clearance and settlement system on the basis of a price between a willing seller and a willing buyer. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 units. Units credited into a Securities Account may also be transferred to any other Securities Account with the CDP subject to a transfer fee payable to CDP and the terms and conditions of the operation of the Securities Account.

Units credited into a Securities Account may also be realised through us after such Units have been transferred out of the Securities Account of the Holder by the completion of the necessary transfer forms available from the branches/offices of the Distributing Agents. Any individual Holder wishing to transfer S\$1,000,000 or more of Units for the purpose of realisation will be required to attend personally at the CDP to have his signature verified before proceeding with the transfer and realisation. Any direct corporate Holder wishing to transfer any number of Units will be required to have its authorised signatory attend personally at a broker, a depository agent or the CDP to have his signature verified before proceeding with the transfer and realisation.

**All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Accounts, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Accounts in time for settlement following a dealing. If the Units have not been credited into the Securities Accounts by the due date for settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.**

Other terms and conditions may be imposed by the CDP in respect of the operation of the Securities Accounts. You should check with the CDP for details or if you have any doubt or uncertainty.

## 12. Subscription of Units

### 12.1 Subscription procedure

Applications for Units may be made by way of printed application form through the Distributing Agents and Managers from time to time, or any other sales channels, if applicable.

You may submit one or more applications for Units and joint applications by two applicants may be accepted. Each application will be subject to the terms and conditions of the Deed. Care must be taken to follow the notes printed on the application form and in this Prospectus.

Applications which do not comply with the notes or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances may be rejected.

The acceptance or non-acceptance of applications for Units will, subject to the Deed, be at our absolute discretion acting in consultation with the Trustee. We reserve the right to issue fewer Units than the number applied for without assigning any reason.

Applications will not be accepted from any undischarged bankrupts, sole proprietorships, partnerships, non-corporate bodies and any person under the age of 18 years except if the application is made with a joint applicant of 18 years and above.

Applications should be accompanied by such documents as may be required, with the subscription monies in full, failing which we reserve the right to reject the relevant application. In particular, an application by a corporation must be accompanied by a copy of its Company Constitution, relevant corporate resolutions, a list of authorised signatories and their respective specimen signatures.

Each application must be accompanied by a remittance in Singapore currency for the full amount payable in respect of the Units applied for, by way of instruction to debit the applicant's bank account with any of the relevant Distributing Agents who are banks or by crossed cheque, cashier's order or banker's draft made payable to "Singapore Consortium Investment Management Limited" or by cash (which must be made in person at any branch of the Distributing Agents who are banks).

If you wish to make payment by telegraphic transfer, you should contact us for details regarding such form of payment. All bank charges incurred in respect of a telegraphic transfer will be borne by you.

You have a choice of paying for Units with cash or Supplementary Retirement Scheme ("SRS") monies. If you wish to use your SRS monies to purchase Units, you should indicate this on the relevant application form which contains your instructions to the SRS operator bank to withdraw from your account the subscription monies in respect of Units applied for. No transfer is permitted in respect of Units purchased by a Holder with SRS monies.

You may apply for Units to be held outside the CDP, in which case Units issued will be registered in the Register. You may also, when applying for Units, request that we credit your Units into your Securities Account.

Unaccepted applications will be returned to the applicant by ordinary post at the risk of the applicant within 10 Business Days of the application. Unsuccessful applicants will have their application moneys returned within 10 Business Days after their applications are received by cheque or such other means, by post at the applicants' risk at the same time as the returned application. All application moneys will be returned without any interest or any other connected benefit.

## 12.2 Tax residency disclosure

You will be required to state on the application form whether your tax residency status is Singapore. Under the Income Tax Act 1947 ("**Income Tax Act**"), a Singapore tax resident is:

- (a) in relation to an individual, a person who, in the year preceding the year of assessment, resides in Singapore except for such temporary absences during that period as may be reasonable and consistent with a claim by such person to be resident in Singapore, and includes a person who is physically present or who exercises an employment (other than as a director of a company) in Singapore for 183 days or more during the year preceding the year of assessment; and
- (b) in relation to a company or body of persons, a company or body of persons the control and management of whose business is exercised in Singapore.



### 12.3 Minimum initial subscription and minimum subsequent subscription

Minimum initial subscription	Minimum subsequent subscription
S\$1,000	S\$1,000

Please note that the Distributing Agents may impose a higher minimum initial or subsequent subscription amount. You should therefore check with the relevant Distributing Agent before submitting your application for subscriptions.

### 12.4 Dealing deadline and pricing basis

12.4.1 The Units were offered at an initial issue price of S\$1.00 for each Unit (including a Preliminary Charge of 3 cents for each Unit), during the initial launch period which commenced on 18 November 1996 and ended on 18 December 1996.

12.4.2 Subsequent to the initial launch period, the issue price is determined on a forward pricing basis. As such, the issue price of Units will not be ascertainable at the time of application.

In buying Units, you pay a fixed amount of money e.g., S\$1,000, which will buy you the number of Units<sup>2</sup> obtained from dividing that sum by the issue price when it has been ascertained later.

The dealing deadline is 3.00 p.m. Singapore time on a Dealing Day<sup>3</sup>. Units in respect of applications received and accepted by us before 3.00 p.m. Singapore time on a Dealing Day will be issued at that Dealing Day's issue price calculated in accordance with paragraph 12.4.3.

For applications received after 3.00 p.m. Singapore time on a Dealing Day or on a day which is not a Dealing Day will be treated as having been received on the next Dealing Day.

12.4.3 The issue price of a Unit will be ascertained (a) by calculating the Value (calculated as set out in paragraph 24.3) of the proportion of the Deposited Property of the Fund representing one Unit at the Valuation Point<sup>4</sup> in respect of the Dealing Day on which such issue occurs; and (b) by adding to it the Preliminary Charge. The resultant figure will be determined up to 4 decimal places. The amount of any adjustment resulting from such determination will be retained by the Fund.

### 12.5 Numerical example of how Units are allotted

Units are allotted on a dual pricing system. The number of Units allotted for an investment of S\$1,000 based on a notional issue price of S\$1.0200 is calculated as follows:

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<sup>2</sup> Under the provisions of the Deed, no fractions of a Unit will be issued and in issuing such number of Units as correspond to the relevant subscription proceeds, we will truncate but not round off to the nearest whole Unit and the Fund will retain any balance arising from such truncation.

<sup>3</sup> A "**Dealing Day**" in connection with the issuance, cancellation, valuation and realisation of units, means every Business Day or such Business Day or Business Days at such intervals as we may from time to time determine and reasonable notice of any such determination will be given by us to all Holders at such time and in such manner as the Trustee may approve. A "**Business Day**" means a day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

<sup>4</sup> "**Valuation Point**" means the close of business of the last relevant market to close on a Dealing Day or such other day as we with the approval of the Trustee may from time to time determine and we will notify the Holders of such change if required by the Trustee.

<b>S\$1,000</b>	/	<b>S\$1.0200</b>	=	<b>980 Units</b>
Investment amount		Issue price (including 2% Preliminary Charge)		Number of Units allotted

***The above example is hypothetical and is not indicative of the issue price on any Dealing Day or of the future or likely performance of the Fund.***

## **12.6 Confirmation of purchase**

A confirmation note detailing the investment amount and the number of Units allocated to you will be sent within 10 Business Days from the date of issue of the Units.

If you wish to have the Units credited into your Securities Account, a notification will be sent by the CDP, indicating the number of Units which have been credited into your Securities Account. It is expected that the Units will be credited to your Securities Accounts within 10 Business Days after the date of application for the Units.

No certificate will be issued to you in respect of the Units issued.

## **12.7 Minimum fund size**

In order for the Fund to remain viable, its size must be sufficient to cover at least its fixed operating costs. As provided under paragraph 24.6.3(a), we may terminate the Fund if at any time on or after 5 years from the date of the Deed, the aggregate Value of the Deposited Property is less than S\$5 million.

## **13. Realisation of Units**

### **13.1 Realisation procedure**

You may realise your Units on any Dealing Day by submitting a Realisation Request to us or through the relevant Distributing Agent through whom the Units were originally purchased. You may realise your Units in full or partially, subject to paragraph 13.2.

You should indicate on the realisation form whether the Units to be realised are to be debited from your Securities Account or from the Register.

If your Units were not credited into a Securities Account with the CDP and your realisation request is accepted, you will receive payment by cheque with a confirmation note from us indicating the confirmed realisation price and the amount of sale proceeds.

If your Units were credited into a Securities Account with the CDP, you must have your Units transferred out of your Securities Account before your Units are realised by us, and if your realisation request is accepted, you will receive payment by cheque with a payment advice from the CDP or any other method as may be imposed by the CDP.

### **13.2 Minimum holding and minimum realisation amount**

You must maintain a holding of at least one whole Unit.

The minimum realisation amount is 1,000 Units.

Please note that the Distributing Agents may impose a higher minimum holding or minimum realisation amount. You should therefore check with the relevant Distributing Agents before submitting your realisation requests.

### **13.3 Dealing deadline and pricing basis**

13.3.1 Units in respect of Realisation Requests received and accepted by us by 3.00 p.m. Singapore time on a Dealing Day will be realised at that Dealing Day's Realisation Price calculated in accordance with paragraph 13.3.2. Realisation Requests received and accepted by us after 3.00 p.m. on a Dealing Day or on a day which is not a Dealing Day will be treated as having been received on the next Dealing Day.

As Units are realised on a forward pricing basis, the Realisation Price will not be ascertainable at the time of receipt by us of the Realisation Request.

13.3.2 The Realisation Price of a Unit will, subject to the provisions of the Deed, be ascertained by (a) calculating the Value (calculated as set out in paragraph 24.3) of the proportion of the Deposited Property of the Fund representing one Unit as at the Valuation Point in respect of the Dealing Day on which the Realisation Request is received; and (b) by deducting from it the Realisation Charge (if any). The resultant figure will be determined up to 4 decimal places. The amount of any adjustment resulting from such determination will be retained by the Fund.

13.3.3 If you are resident outside Singapore, we will be entitled to deduct from the total amount of realisation proceeds which would otherwise be payable to you on realisation an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if you had been resident in Singapore.

**13.4 Numerical example of how the amount paid to a Holder is calculated, based on the sale of 1,000 Units and a notional realisation price of S\$1.1500:**

<b>1,000 Units</b>	<b>x</b>	<b>S\$1.1500</b>	<b>=</b>	<b>S\$1,150.00</b>
Number of Units		Realisation price*		Realisation proceeds

\*There is currently no Realisation Charge imposed.

***The above example is hypothetical and is not indicative of the realisation price on any Dealing Day or of the future or likely performance of the Fund.***

**13.5 Payment of realisation proceeds**

Realisation proceeds will normally be paid by cheque or credited to the Holder's SRS account, as applicable, within 6 Business Days in Singapore (or such other period as may be allowed by the Authority) from the Dealing Day following the receipt and acceptance of the realisation form by us or by the relevant Distributing Agent, unless the realisation of Units has been limited in accordance with paragraph 13.6 or suspended in accordance with paragraph 17. All bank charges incurred in respect of a telegraphic transfer of realisation proceeds to you will be borne by you.

**13.6 Limit on realisation**

We may, with the approval of the Trustee, limit the total number of Units which Holders may realise and which we are entitled to have cancelled on any Dealing Day to 10% of the total number of Units then in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied pro rata to all Holders who have validly requested realisations on such Dealing Day and us, so that the proportion realised of each holding so requested to be realised or cancelled is the same for all Holders and us.

Any Units which are not realised or cancelled (as the case may be) will be realised or cancelled (subject to any further application of the provisions of this paragraph) on the next succeeding Dealing Day provided that if on such next succeeding Dealing Day, the total number of Units to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, we may further carry forward the requests for realisation or cancellation (as the case may be) until such time as the total number of Units to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit.

If realisation requests are carried forward as described, we will, within 7 calendar days, give notice to the affected Holders that such Units have not been realised or cancelled and that (subject as described) they will be realised or cancelled on the next succeeding Dealing Day.

## 14. Compulsory Realisations

14.1 We have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in the Fund held by:

- (a) any Holder:
  - (i) whose subscription for or holding of Units, in our opinion, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (ii) where such realisation is, in our opinion, necessary or desirable for our or the Fund's compliance with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in our opinion:
  - (i) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
  - (ii) may cause the offer of the Units of the Fund, the Fund, this Prospectus, the Deed, the Trustee, or us to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in our opinion:
  - (i) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or
  - (ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by the Trustee and/or us for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder (or the Holder has failed to provide the same) in a timely manner; or
- (e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Trustee and/or us pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any IGA entered into between the U.S. and Singapore in connection with FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or
- (f) any Holder who does not consent, or withdraws his consent, for the Trustee or us to collect, use and/or disclose information or data relating to the Holder, where (in our or the Trustee's opinion) such information or data is necessary or desirable for us, the Trustee, our or its respective related corporations and/or other service providers to perform the respective services and/or duties to or in respect of the Fund and/or the Holder.

Any compulsory realisation under this paragraph may be carried out by us on any Dealing Day, with prior notice to the relevant Holder, and will be carried out in accordance with, and at the realisation price determined under, the applicable provisions on realisations in the Deed.

14.2 If we and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, we (in consultation with the Trustee) will be entitled, at any time with prior notice to that Holder, to realise such number of Units held by

that Holder as may be necessary to discharge the liability arising. We and/or the Trustee (as the case may be) will be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

- 14.3** We, the Trustee and our or its respective delegates, agents or associates will not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by us, the Trustee and/or any of our or its respective delegates, agents or associates under this paragraph 14.

**15. Switching of Units**

Currently, you are not permitted to switch your Units for units in any other collective investment schemes.

**16. Obtaining Prices of Units**

The Fund will be valued on each Dealing Day. The indicative prices of the Units are quoted on a forward pricing basis and are available from our website at [www.sicim.com.sg](http://www.sicim.com.sg). The actual prices quoted will generally be published after the close of business on the Business Day following the relevant Dealing Day in Singapore Dollars.

Please note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned. Save for our publications, we do not accept any responsibility for errors on the part of the publisher for the prices published in the newspapers or such other publication or for any non-publication or late publication of prices by such publisher, and will incur no liability in respect of any action taken or loss suffered by you upon such publication, non-publication or late publication by such publisher.

The market prices of Units which are listed on the SGX-ST (which may not be equal to the Value of the Fund) may be obtained from the SGX-ST's website at [www.sgx.com](http://www.sgx.com).

**17. Suspension of Dealing**

- 17.1** Subject to the provisions of the Code and the Deed, we or the Trustee may, with the prior written approval of the other, suspend the issue, realisation, cancellation and valuation of Units during:

17.1.1 any period when the SGX-ST or any other Recognised Stock Exchange is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

17.1.2 the existence of any state of affairs which, in our opinion might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;

17.1.3 any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price thereof on the SGX-ST or any other Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);

17.1.4 any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in our opinion, be carried out at normal rates of exchange;

17.1.5 any 48 hour-period (or such longer period as we and the Trustee may agree) prior to the date of any meeting of Holders (or any adjournment thereof);

17.1.6 any period where dealing of Units is suspended pursuant to any order or direction of the Authority;

- 17.1.7 any period when our or the Trustee's business operations in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolutions, civil unrest, riots, strikes or acts of God;
- 17.1.8 exceptional circumstances, where we have determined that such suspension is in the best interest of the Holders; or
- 17.1.9 such other circumstances, as may be required under the provisions of the Code.
- 17.2** Subject to the provisions of the Code, we and/or the Trustee may from time to time also suspend the issue and/or realisation of Units in certain situations as set out in the Deed.
- 17.3** Subject to the provisions of the Code, there is no maximum period of suspension under this paragraph 17 and such suspension will take effect forthwith upon the declaration in writing of the suspension to the Trustee by us (or, as the case may be, to us by the Trustee). The suspension will terminate as soon as practicable when the condition giving rise to the suspension has ceased to exist and no other conditions under which suspension is authorised under this paragraph 17 exist, upon the declaration in writing of the termination by us (or, as the case may be, by the Trustee), and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code.

**18. Performance of the Fund and Benchmark**

**Past performance, benchmark performance, expense ratio and turnover ratio of the Fund**

Inception date: 18 December 1996	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception (%)	Expense ratio (%) <sup>(3)</sup>	Turnover ratio (%) <sup>(4)</sup>
(NAV-NAV) <sup>(1)</sup>	8.37	13.35	3.16	3.13	4.08	1.02	2.45
(Adjusted NAV-NAV) <sup>(2)</sup>	6.24	12.6	2.75	2.92	4.01		
Benchmark (in SGD): Straits Times Index <sup>(5)</sup>	9.94	14.36	4.34	4.26	3.91		

(1) Calculated in Singapore Dollars on an NAV-to-NAV basis as at 31 July 2023, with all dividends and distributions reinvested (net of reinvestment charges). Figures for 1 year show the percentage change, while figures for more than 1 year show the average annual compounded return.

(2) Calculated in Singapore Dollars on an NAV-to-NAV basis as at 31 July 2023, taking into account any Preliminary or Realisation Charge set out in paragraph 9 (i.e. offer-to-bid basis) with all dividends and distributions reinvested (net of reinvestment charges). Figures for 1 year show the percentage change, while figures for more than 1 year show the average annual compounded return.

(3) The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on the audited accounts of the Fund for the financial year ended 30 June 2023. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);

- (b) interest expense;
  - (c) foreign exchange gains and losses of the Fund, whether realised or unrealised;
  - (d) front-end loads, back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund;
  - (e) tax deducted at source or arising from income received, including withholding tax; and
  - (f) dividends and other distributions paid to Holders.
- (4) The turnover ratio for the financial year ended 30 June 2023 is calculated based on the lesser of purchases or sales of the Fund's underlying investments expressed as a percentage of the daily average Value of the Fund.
- (5) The benchmark against which the Fund's performance is measured since 26 January 2001 is the Straits Times Index in total returns. The benchmark performance figures are calculated in Singapore Dollars and on the basis of dividends (if any) reinvested. The benchmark of the Fund since inception up to 23 January 2001 was the Business Times – Singapore Regional Index. The change in benchmark was due to the change in the investment policy of the Fund to track the Straits Times Index instead of the Business Times – Singapore Regional Index.

***Please note that the past performance of the Fund is not necessarily indicative of the future performance of the Fund.***

## **19. Soft Dollar Commissions / Arrangements**

Subject to the provisions of the Code, we may from time to time, receive or enter into soft-dollar commissions or arrangements in respect of the management of the Fund. We will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions or arrangements may include specific advice as to the advisability of dealing in, or of the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for our clients.

Soft-dollar commissions or arrangements received will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

We may not accept or enter into soft dollar commissions or arrangements unless:

- (a) such soft-dollar commissions or arrangements can reasonably be expected to assist us in our management of the Fund;
- (b) best execution is carried out for the transactions; and
- (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

We do not, and are not entitled to, retain cash rebates for our own account in respect of rebates earned when transacting in securities for the account of the Fund.

## **20. Market Timing**

The Fund is designed and managed to support medium to long-term investments. In this regard, we take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in

pricing) as such practices may cause an overall detriment to the long-term interest of other investors. In addition, short-term trading in Units increases the total transaction costs of the Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Fund which may disrupt the investment strategies to the detriment of long-term investors. For the reasons set out above, we strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice. If any internal measure to restrict the practice of market timing amounts to a significant change to the Fund (as provided in the Code), we will inform Holders of such internal measure not later than 1 month before its implementation. We intend to review our policy on market timing from time to time in a continuous effort to protect the long-term interests of investors in the Fund.

## 21. Conflicts of Interest

Should a material conflict of interest arise in relation to the allocation of investments, we and the Directors will use our best efforts to ensure that it is resolved fairly. We, the Directors and our connected persons and the Custodian and its connected persons, will (in relation to the Units that such persons may hold) refrain from voting at, or being part of a quorum for, any meeting to approve any matter in which such person believes it or he has a material interest.

We, the Directors, the Trustee and our or their respective associates (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Fund. These include, inter alia, the management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Fund may invest. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of Holders.

We are of the view that there is no conflict of interest in managing our other funds (if any) and the Fund because of the following structures in place:

- (a) We are a member of the Investment Management Association of Singapore ("**IMAS**") and subscribe and adhere to the IMAS Code of Ethics and Standards of Professional Conduct. The Code of Ethics and Standards of Professional Conduct are in place to ensure high ethical and professional standards of investment professionals as well as fair treatment of the investing public.
- (b) Investment decisions for each fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- (c) Interests of clients receive priority over the interests of the employees (including the Directors). This will mean satisfying client transactions before dealing for employee accounts and avoiding any conflict between the interests of clients and those of our employees (including the Directors). Where there is a deemed potential conflict of interest, our employees, including the Directors should report immediately to the compliance officer as well as an appropriate director who will either resolve the potential conflict or ensure proper disclosure to the affected clients.
- (d) Investments are allocated between various funds which place the same orders simultaneously on a pro rata basis as far as possible, taking into account the availability of cash and the relevant investment guidelines of these funds.
- (e) Cross trades between staff personal accounts and client accounts are prohibited. Cross trades between a "house account" controlled by us and a client account are also prohibited, where "house account" means an account owned by us or any of our connected persons over which we can exercise control or influence.



We, our related entities, directors, officers or employees may from time to time hold interests (including beneficial or otherwise) in the Units of the Fund. We and our related entities may invest and deal in the Units for the account of another person (including, without limitation, our other clients). If we do so, we will have regard to our obligations to the Fund and, in particular, our obligation to act in the best interests of the Fund and the Holders so far as practicable, having regard to applicable laws and our obligations to our other clients. In the event that a conflict of interest does arise, we will endeavour to ensure that such conflict is resolved fairly.

We, the Directors and our associates are not entitled to receive any part of any brokerage charged to the Fund, or any part of any fee, allowances, benefits, etc. received on purchases charged to the Fund.

The Trustee is presently also offering registrar and valuation services to the Fund. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property under the provisions of the Deed.

We and the Trustee will conduct all transactions for and on behalf of the Fund at arm's length.

Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Fund, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

## 22. Reports

### Financial year-end and distribution of reports

The financial year-end for the Fund is 30 June. The annual report, annual audited accounts and the Auditors' report on the annual accounts will be sent or made available to the Holders (by such electronic means as may be provided under the Code) within 3 months of the financial year-end to which the reports and accounts relate (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts of the Fund will be sent or made available to the Holders (by such electronic means as may be provided under the Code) within 2 months of the financial half-year end, i.e., 31 December (or such other period as may be permitted by the Authority).

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 such request (or such other period as may be permitted by the Authority). Holders may also at any time choose to receive hardcopies of all future accounts and reports at no additional charge by notifying us.

A copy of the annual report to Holders together with the financial statements of the Fund for the financial year ended 30 June 2023 is attached as Appendix A.

## 23. Distribution of income and capital

We have the absolute discretion to determine whether a distribution is to be made of all or part of the income of the Fund and (if we deem fit) all or part of the net capital gains realised on the sale of authorised investments of the Fund which are available for distribution. **Please note that distributions will be determined at our absolute discretion and will only be made to the extent that they are covered by the income of the Fund and by distributable net capital gains realised on the sale of Investments of the Fund. Please also note that any distribution will be automatically reinvested** in further Units of the Fund by a deemed automatic distribution reinvestment mandate unless such mandate is withdrawn by the Holder upon giving us written notice at least 30 days in advance.

**Any distributions made will reduce the Value of the Fund.**

## **24. Other Material Information**

The following sections, extracted from the Deed, are set out for your information.

### **24.1 Information on investments**

At the end of each quarter, Holders will receive a statement showing the value of their investment. However, if there is any transaction within a particular month, Holders will receive an additional statement at the end of that month.

### **24.2 Exemptions from liability**

24.2.1 The Trustee and the Managers shall incur no 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 paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

24.2.2 The Trustee and the Managers shall incur no liability to the Holders 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 (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 any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.

24.2.3 Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any transfer or form of application, endorsement or other document (whether sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

24.2.4 Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.

24.2.5 Nothing herein contained shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustees of trusts separate and distinct from the Fund and neither of them shall in any way be liable to account to the Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.

24.2.6 Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders 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.

- 24.2.7 The Trustee and the Managers may accept as sufficient evidence of the Value of any Authorised Investment or the cost price or sale price thereof or of any market quotation a certificate by a Stockbroker or any other person, firm or association qualified in the opinion of the Managers to provide such a certificate.
- 24.2.8 At all times and for all purposes of the Deed the Trustee and the Managers may rely upon the established practice and rulings of the SGX-ST or any other Recognised Stock Exchange and any committees and officials thereof on which any dealing in any Authorised Investment or other property 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 Deed.
- 24.2.9 The Trustee and the Managers shall not be liable for the acts or omissions of each other.
- 24.2.10 Before making any payment to a Holder, any distribution or other payment in respect of any Unit or in respect of Management Fee or the remuneration of the Trustee, the Managers and/or the Trustee may make such deductions as by the law of Singapore or by any law, regulation or contractual obligation with any other country may require or allow in respect of any Income (as defined in the Deed) or other taxes, charges or assessments whatsoever (including any deduction for any tax liability imposed on the Fund that is attributable to such Holder) and the Managers and/or the Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges payable by any of them or for which any of them might be made liable in respect of such payment or distribution or any documents signed by any of them in connection therewith. The Managers and the Trustee shall not be liable to account to any Holder or otherwise for any payment made or suffered by any of them in good faith to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.

### **24.3 Valuation**

- 24.3.1 The Value, except where otherwise expressly stated and subject always to the requirements of the Code, with reference to any Authorised Investment which is:
- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price on the SGX-ST or such Recognised Stock Exchange or OTC Market on which the Investment is traded before the Valuation Point in respect of the Dealing Day on which the Value is to be determined. Where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there is no such official closing price, last known transacted or last transacted price, the value shall be calculated by reference to the last available price(s) quoted by responsible firms, corporations or associates on a Recognised Stock Exchange or an OTC market at the Valuation Point in respect of the Dealing Day on which the Value is to be determined;
  - (b) an Unquoted Investment, shall be calculated by reference to, where applicable: (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if

there shall be more than one such market maker, then such market maker as the Managers may designate), as may be determined by the Managers to represent the fair value of such Investment; (iii) the sale prices of recent public or private transactions in the same or similar Investments, valuations of comparable companies or discounted cash flow analysis, as may be determined by the Managers to represent the fair value of such Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;

- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers, any adjustment should be made to reflect the value thereof;
- (d) a foreign exchange transaction, a forward rate transaction or a currency option, shall be valued in accordance with generally accepted methods or such other method as the Managers after consultation with the Trustee and the Auditors shall from time to time determine;
- (e) a unit or share in a unit trust scheme or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (f) an Investment other than as described above, shall be valued (by a person approved by the Trustee as qualified to value such an Investment) in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine.

PROVIDED THAT, if the quotations referred to in (a), (b), (c), (d), (e) and (f) above are not available, or if the value of the Authorised Investment determined in the manner described in (a), (b), (c), (d), (e) or (f) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee and the Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the "fair value" shall be determined by the Managers in consultation with a stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code. Where the fair value of a material portion of the Deposited Property cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units of the Fund.

In exercising in good faith the discretion given by the proviso above, the Managers shall not, subject to the provisions of the Code, assume any liability towards the Fund, and the Trustee shall not be under any liability in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

The Managers may, to the extent permitted by the Authority, and subject to the prior approval of the Trustee, change the method of valuation as described above, and the Trustee shall determine if the Holders should be informed of such change.

#### 24.3.2 In calculating the Value of the Deposited Property or any proportion thereof:

- (a) every Unit agreed to be issued by the Managers shall be deemed to be in issue and the Deposited Property shall be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any accrued interest on bonds or other interest-bearing instruments or other assets to be

received in respect of Units agreed to be issued after deducting therefrom or providing thereout the Preliminary Charge and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Deposited Property pursuant to Clause 10 of the Deed;

- (b) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (c) where in consequence of any notice or request in writing given pursuant to Clause 11 or 12 of the Deed a reduction of the Fund by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments to be transferred out of the Deposited Property after deducting therefrom or providing thereout the Realisation Charge (if any) in pursuance of such reduction shall be deducted from the Value of the Deposited Property;
- (d) there shall be deducted any amounts not provided for above which are payable out of the Deposited Property including:
  - (i) any amount of Management Fee, the remuneration of the Trustee and any other expenses accrued but remaining unpaid;
  - (ii) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) accrued up to the end of the last accounting period and remaining unpaid;
  - (iii) the amount in respect of tax, if any, on net capital gains realised during a current accounting period prior to the valuation being made as in the estimate of the Managers will become payable;
  - (iv) the aggregate amount for the time being outstanding of any borrowings effected under Clause 16(C) of the Deed together with the amount of any interest and expenses thereon accrued pursuant to paragraph (v) of the said Clause 16(C) of the Deed and remaining unpaid; and
  - (v) all such costs, charges, fees and expenses as the Managers may have determined pursuant to the provisions of the Deed;
- (e) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income up to the time of calculation of the Value of the Deposited Property;
- (f) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received;
- (g) any Value (whether of an Authorised Investment, cash or a liability) otherwise than in Singapore Dollars and any non-Singapore Dollar borrowing shall be converted into Singapore Dollars at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to the costs of exchange; and
- (h) where the current price of an Authorised Investment is quoted "ex" dividend, interest or other payment but such dividend, interest or other payment has not

been received the amount of such dividend, interest or other payment shall be taken into account.

The Managers may, subject to the prior approval of the Trustee and to the extent permitted by the Authority, change the method of valuation as described above, and the Trustee shall determine if the Holders should be informed of such change.

## **24.4 Appointment, Removal or Retirement of Trustee**

### **24.4.1 Retirement of Trustee**

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, it shall give notice in writing to that effect to the Managers and the Managers shall use their best endeavours to appoint another person (duly approved as may be required by the law for the time being applicable to the Deed) as the new trustee of the Fund.

If no new trustee is appointed by the Managers as aforesaid within a period of 3 months after the date of receipt by the Managers of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as a new trustee of the Fund.

### **24.4.2 Removal of Trustee**

The Trustee may be removed by notice in writing given by the Managers in any of the following events:

- (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
- (b) if the Trustee fails or neglects after reasonable notice from the Managers to carry out or satisfy any duty imposed on the Trustee by the Deed;
- (c) if the Holders by extraordinary resolution duly passed at a meeting of Holders held in accordance with the provisions contained in the Schedule to the Deed and of which not less than 21 days' notice has been given to the Trustee and the Managers shall so decide; and
- (d) if the Authority directs that the Trustee be removed.

In any of such events the Managers shall appoint another person (duly approved as may be required by the law for the time being applicable to the Deed) as the new trustee of the Fund.

## **24.5 Removal or Retirement of Managers**

### **24.5.1 Retirement of Managers**

The Managers shall have power to retire in favour of a corporation approved by the Trustee upon and subject to such corporation entering into such deed or deeds supplemental to the Deed to replace the Managers.

The retiring Managers shall be absolved and released from all further obligations under the Deed after a deed has been entered into to secure the due performance by the new managers of their obligations under the Deed, and after the retiring Managers have paid all amounts payable to the Trustee. However, this will not prejudice the rights of the Trustee or of any Holder, former Holder or other person in respect of any act or omission of the Managers prior to their retirement.

### **24.5.2 Removal of Managers**

Subject to Section 295 of the SFA, the Managers shall be subject to removal by notice in writing given by the Trustee in any of the following events:

- (a) if the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the Managers;
- (b) if the Managers cease to carry on business;
- (c) if the Managers fail or neglect after reasonable notice from the Trustee to carry out or satisfy any obligations imposed on the Managers by the Deed;
- (d) if for good and sufficient reason the Trustee is of the opinion, and so states in writing, that a change of Managers is desirable in the interests of the Holders. If the Managers within 1 month states in writing that it is dissatisfied with the Trustee's opinion, the matter shall be referred to arbitration in accordance with the provisions of the Arbitration Act 2001;
- (e) if the Holders by extraordinary resolution passed at a meeting of Holders duly convened and held in accordance with the provisions of the Schedule to the Deed decide to remove the Managers; and
- (f) if the Authority directs the Trustee to remove the Managers.

In any of such events the Trustee shall appoint another corporation as the new managers of the Fund.

## **24.6 Termination of the Fund**

The Deed provides that the Fund may be terminated in the following circumstances:

24.6.1 Either the Trustee or the Managers may in their absolute discretion terminate the Fund at any time after 3 years from the date of commencement of the initial launch period of the Fund by giving to the other not less than 6 months' written notice given so as to expire at the end of the accounting period current at the end of the third year after the date of the Deed or any year thereafter. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its or their satisfaction at least 3 months before the relevant date of its or their remuneration under the provisions of the Deed. In the event that the Fund shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than 3 months in advance. Subject as aforesaid the Fund shall continue until terminated in the manner set out in this paragraph 24.6.

24.6.2 Subject to Section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing in any of the following events:

- (a) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets or if they shall cease business;
- (b) if any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the Trustee's opinion, impracticable or inadvisable to continue the Fund; and
- (c) if within the period of 3 months from the date of the Trustee expressing in writing to the Managers that it wishes to retire the Managers shall have failed to appoint a new trustee within the terms of the Deed.

24.6.3 By the Managers in their absolute discretion by notice in writing in any of the following events:

- (a) if the aggregate Value (as defined in paragraph 24.3) of the Deposited Property (defined in the Deed to mean all the assets, including cash, for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Account) shall be less than S\$5,000,000 at any time on or after 5 years from the date of the Deed; or
- (b) if any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or, in the Managers' opinion, impracticable or inadvisable to continue the Fund.

24.6.4 By extraordinary resolution of a meeting of the Holders duly convened and held in accordance with the provisions of the Schedule to the Deed at any time after 5 years from the date of the Deed.

## **24.7 Holders' right to vote**

A meeting of Holders duly convened and held in accordance with the provisions of the Schedule of the Deed shall be competent by Extraordinary Resolution:

24.7.1 to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 37 of the Deed;

24.7.2 to sanction a supplemental deed increasing the maximum permitted percentage of the Management Fee and/or the trustee fee;

24.7.3 to terminate the Fund as provided in Clause 34(F) of the Deed;

24.7.4 to remove the Auditors as provided in Clause 30(D) of the Deed;

24.7.5 to remove the Trustee as provided in Clause 31(C)(iii) of the Deed;

24.7.6 to remove the Managers as provided in Clause 32(A)(v) of the Deed;

24.7.7 to sanction any change in the investment policy based on the Authorised Investments within the period of 3 years from the date of commencement of the initial launch period of the Fund as provided in Clause 15(A) of the Deed;

24.7.8 to direct the Trustee to take any action (including the termination of the Fund) pursuant to Section 295 of the SFA; and

24.7.9 to sanction such other matters as may be proposed by the Managers or the Trustee, but shall not have any further or other powers.

"**Extraordinary Resolution**" is defined in the Deed to mean a resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution.

## **24.8 Liquidity risk management**

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

- (a) We may (with the approval of the Trustee), limit the total number of Units which Holders may realise and which we are entitled to have cancelled on any Dealing Day to 10% of the total number of Units then in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied pro rata to all Holders who have validly requested realisations on such Dealing Day and us, so that the proportion realised of each holding so requested to be realised or cancelled is the same for the all Holders and us;



- (b) We may (with the approval of the Trustee), suspend the realisation of Units under certain circumstances, as set out in paragraph 17, including during exceptional circumstances, where we have determined that such suspension is in the best interest of the Holders; and
- (c) The Fund may, subject to the provisions of the Trust Deed and the borrowing restrictions in the Code, borrow up to 10% of the Value of the Fund at the time the borrowing is incurred, on a temporary basis for a borrowing period not exceeding 1 month, for the purposes of meeting redemptions and bridging requirements.

## 25. Investment Restrictions

The Fund is subject to the investment and borrowing guidelines under Appendices 1 and 5 of the Code. The latest version of the Code may be found at the Authority's website: <https://www.mas.gov.sg/>. Please note that the Authority may, from time to time, update or amend the Code.

The Fund may at any time and from time to time borrow, on a temporary basis for a borrowing period not exceeding 1 month, for the purposes of meeting redemptions and bridging requirements. Aggregate borrowings for such purposes should not exceed 10% of the Value of the Fund at the time the borrowing is incurred.

In addition, please note that the Units are Excluded Investment Products (as defined in the Notice on the Sale of Investment Products issued by the Authority, as the same may be modified, amended or revised from time to time) ("**EIPs**"), which are defined as prescribed capital markets products specified in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018, and that the Fund does not invest and will not invest in any product and does not engage and will not engage in any transaction which may cause the Units not to be regarded as EIPs.

## 26. Taxation

This is a summary of certain Singapore tax consequences of the purchase, ownership and disposal / redemption of Units in the Fund. The summary is based on the existing provisions of the relevant tax law, the regulations thereunder, the circulars issued by the Authority and practices in effect as at the date hereof, all of which are subject to change and differing interpretations, either on a prospective or retroactive basis.

The summary is not intended to constitute a complete analysis of all the tax considerations relating to participation in the Fund. Prospective unitholders should consult their own tax advisers including the tax consequences arising under the laws of any other tax jurisdiction which may be applicable to their circumstances. The summary does not constitute tax or legal advice.

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

The Fund has been granted the Designated Unit Trust ("**DUT**") status by the Inland Revenue Authority of Singapore ("**IRAS**") on 3 December 1996. With effect from 1 September 2014, the DUT scheme is administered on a self-assessment basis. To claim the DUT tax deferral benefits in any year of assessment, an annual declaration form must be completed and submitted together with the tax return by the statutory deadline or within such extended time granted by the IRAS, and the fund must meet all of the DUT conditions throughout the basis period, including the following:

- (a) The fund is a collective investment scheme that is authorised under section 286 of the SFA and the units are open to the public for subscription;

- (b) The fund is not a real estate investment trust or a property trust that invests directly in immovable properties in Singapore;
- (c) The trustee of the fund is tax resident in Singapore; and
- (d) The fund manager holds a capital markets services licence for fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, and the fund is managed by that fund manager in Singapore.

The Managers and the Trustee will endeavour to conduct the affairs of the Fund in such a manner that it fulfils the DUT conditions. The Trustee shall submit the annual declaration form, upon confirmation from the Managers of the relevant information therein, together with the Fund's tax return for each relevant year of assessment by the relevant deadline.

The DUT scheme has expired on 1 April 2019. However, the Fund, as an existing DUT, can still continue to enjoy the tax deferral benefits under the DUT scheme if it (i) meets all the DUT conditions in the basis period immediately preceding the basis period on which 1 April 2020 falls and an election is made for the DUT tax deferral benefits to apply to the Fund in the first-mentioned basis period; and (ii) meets all the DUT conditions and an election is made for the DUT tax deferral benefits for every subsequent year of assessment.

The Fund will not enjoy the DUT tax deferral benefits if it fails to meet any of the DUT conditions for any year of assessment relating to a basis period beginning on or after 1 April 2020 or no election is made for the DUT tax deferral benefits for any basis period beginning on or after that date. The DUT tax deferral benefits will not apply to the Fund for the year of assessment to which that basis period relates and for every subsequent year of assessment.

As a DUT within the meaning of Section 35(12) of the Income Tax Act, the following treatment will apply in relation to Singapore income tax:

#### **Fund level**

Income of a trust is generally taxable in the hands of its trustee. If the trust is eligible for DUT tax deferral benefits and so elects, the following amounts earned by the fund ("**Designated Income**") do not form part of the statutory income of the fund and is thus exempt from income tax in the hands of the trustees:

- (a) Interest (other than interest from which Singapore income tax has been withheld under Section 45 of the Income Tax Act), including interest from qualifying debt securities;
- (b) Dividends derived from outside Singapore and received in Singapore;
- (c) Gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (d) Rental and any other income derived from any immovable properties situated outside Singapore and received in Singapore;
- (e) Discount derived from outside Singapore and received in Singapore;
- (f) Discount from qualifying debt securities issued during the period from 17 February 2006 to 31 December 2023;
- (g) Distributions from foreign unit trusts derived from outside Singapore and received in Singapore;
- (h) Fees and compensatory payments derived (other than fees and compensatory payments for which tax has been deducted under Section 45A) from securities lending or repurchase arrangements with certain specified persons;
- (i) Gains or profits derived from disposal of debentures, stocks, shares, bonds or notes issued by supranational bodies;
- (j) Gains or profits derived from:
  - (i) foreign exchange transactions;

- (ii) transactions in future contracts;
  - (iii) transactions in interest rate or currency forwards, swaps or option contracts; and
  - (iv) transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (k) Prepayment fee, redemption premium and break cost from qualifying debt securities issued during the period from 15 February 2007 to 31 December 2023; and
- (l) Such other income directly attributable to qualifying debt securities issued on or after a prescribed date, as may be prescribed by regulations.

Unless otherwise exempt from tax, any income or gains that do not fall within the prescribed list of Designated Income (i.e. "**non-Designated Income**") will generally be subject to tax in the hands of the trustee at the prevailing corporate income tax rate currently at 17%.

The Fund would not be taxable in respect of dividends paid by Singapore tax resident companies and tax exempt distributions from real estate investment trusts listed on the Singapore Exchange and registered business trusts.

No tax is withheld from distributions made by a DUT.

Dividends, interest income, gains from the disposal of investments and other income received by the Fund on its investments in some foreign countries may be liable to the imposition of withholding tax or other tax in the foreign country.

#### **Holder's level – Distributions**

##### Individuals

Any distribution made by a DUT and received by an individual (whether resident or not) is exempt from Singapore income tax, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

##### Non-individuals

Any distribution made by a DUT and received by a foreign investor (other than an individual) which has been made out of Designated Income is exempt from Singapore income tax provided that the distribution is not connected with a permanent establishment that the foreign investor may have in Singapore.

A foreign investor is:

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

## Other Holders

Other Holders (i.e. those who are neither individuals nor foreign investors) are generally subject to Singapore income tax on the gross amount of the distributions paid out of Designated Income by the Fund. Such distributions are deemed to be income of, and will be taxed in the hands of such Holders at their applicable tax rates. In the case of a corporate Holder, the current income tax rate is 17%. Where the Designated Income is specified income from qualifying debt securities (as defined in the Income Tax Act), any distribution made out of such income will, based on the current practice of IRAS, be taxed at the concessionary rate of 10%.

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

Distributions made by the Fund out of any non-Designated Income that is exempt from Singapore income tax (e.g. Singapore one-tier dividend) will be tax-exempt in the hands of such Holders.

### **Holder's level – Holding of Units**

If the Designated Income of the Fund did not form part of the Trustee's statutory income for one or more past years of assessment ("YAs") by reason of the DUT tax deferral benefits ("**tax deferred Designated Income**") and any of the events set out in the first column of the following table occurs for which the corresponding date is on or after 1 June 2015, then certain Holders (i.e. those who are neither individuals nor foreign investors as defined under section 10(23) of the Income Tax Act) shall be treated as having derived, on the corresponding date, an amount of income that is equal to the prescribed amount of tax deferred Designated Income that has yet to be distributed to any Holders by the corresponding date.

The prescribed amount refers to the amount that would have been distributed to the relevant investors based on the distribution policy in the trust deed. In the scenario where it is not possible to ascertain that amount under the trust deed (e.g. there is no distribution policy, or where the distribution policy was unclear or allowed variations to the distribution policy), the prescribed amount would be based on the number of units held by the relevant investors in proportion to the total number of units of the unit trust on the relevant date.

<b>Event</b>	<b>Corresponding date</b>
The Fund does not meet one or more conditions of the DUT scheme for any YA	Last day of the basis period <sup>5</sup> for the immediately preceding YA
No election for the DUT tax deferral benefits for the sub-fund for any YA	Last day of the basis period <sup>5</sup> for the immediately preceding YA
Election for DUT tax deferral benefits to apply to his income derived in only a part of the basis period <sup>5</sup> for any YA (e.g. the sub-fund relinquishes its DUT tax status to transit to another tax incentive)	Last day of that part of the basis period <sup>5</sup>

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<sup>5</sup> "**Basis period**" for any year of assessment means the period on the profits which tax for that year falls to be assessed.

### **Holder's level – Disposal of Units or dissolution of Fund**

Gains on disposal of Units by a Holder should not be subject to Singapore taxation, unless:

- (a) the gains are derived in the course of a trade or business carried on in Singapore; or
- (b) the gains are derived in the course of a trade or business carried on outside Singapore and received or construed to be received in Singapore (i.e. foreign income).  
Certain tax exemptions on foreign income may apply where conditions are satisfied.

As the tax treatment depends on the particular situation of the investors, investors should consult their own tax advisers with regard to the tax consequences arising from distribution made by the Fund and gains arising from disposal of the Units.

If the Designated Income of the Fund did not form part of the Trustee's statutory income for one or more past YAs by reason of the DUT tax deferral benefits and the Fund is dissolved on or after 1 June 2015 and meets all applicable conditions of the DUT scheme for the Year of Assessment for the basis period in which the dissolution occurred, then certain Holders (i.e. those who are neither individuals nor foreign investors as defined under section 10(23) of the Income Tax Act) shall be treated as having derived, on the Fund's dissolution date, an amount of income that is equal to the prescribed amount of tax deferred Designated Income that has yet to be distributed to any Holders by the Fund's dissolution date.

The prescribed amount refers to the amount that would have been distributed to the relevant investors based on the distribution policy in the trust deed. In the scenario where it is not possible to ascertain that amount under the trust deed (e.g. there is no distribution policy, or where the distribution policy was unclear or allowed variations to the distribution policy), the prescribed amount would be based on the number of units held by the relevant investors in proportion to the total number of units of the unit trust on the relevant date.

### **Fund level – Goods and Services Tax**

The Fund may incur Singapore Goods and Services Tax ("**GST**") on its expenses. Should there be GST incurred, the Fund may be allowed to claim the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for 2023 is 91%. However, should the Fund not meet the qualifying conditions, the GST incurred (if any) will become an additional cost to the Fund.

## **27. Queries and Complaints**

All enquiries and complaints about the Fund should be directed to us at:

Hotline No	:	6908 4866
Operating hours	:	9.30 a.m. to 5.30 p.m. daily (Singapore time)
Fax No	:	6908 4865
Email	:	contact@sicim.com.sg

## Appendix A – Financial Statements



**SINGAPORE INDEX  
FUND**

# **Annual Report to Unitholders**

For the financial year ended 30 June 2023

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### Annual Report To Unitholders For The Financial Year Ended 30 June 2023

#### A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 18 December 1996 Ann Comp Ret
Singapore Index Fund <sup>1</sup>	0.11	0.45	6.54	10.58	2.53	2.86	3.91
Benchmark <sup>2</sup>	0.38	1.17	8.17	11.67	3.70	3.97	3.73

Note: Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

- 1) The performance returns of the Fund are in Singapore dollars based on a bid-to-bid price with net dividends reinvested.
- 2) The performance returns of the Benchmark is in Singapore dollars with net dividends reinvested. The Benchmark of Singapore Index Fund since inception up to 23 Jan 2001 was the Business Times – Singapore Regional Index. The Benchmark of the Fund since 26 Jan 2001 is the Straits Times Index. The Benchmark was changed due to the change in the investment policy of the Fund to track the Straits Times Index instead of the Business Times - Singapore Regional Index.



## **Market and Portfolio Review**

The Ministry of Trade and Industry (“MTI”) indicated that the Singapore economy grew by 0.5% y-o-y in the second quarter of 2023, extending the 0.4% growth in the previous quarter. The sectors that contributed the most to GDP growth during the quarter were transportation & storage, other services and real estate sectors. The manufacturing sector contracted by 7.3% y-o-y, worse than the 5.4% contraction in the previous quarter due to weakness in global demand. The finance and insurance sector contracted by 1.7% y-o-y, worse than the 1.1% contraction in the previous quarter due to the reduction in bank loans.

In June 2023, Keppel DC REIT was removed from the index and replaced by Seatrium Limited. Among the current index constituent stocks, Sembcorp Industries was the best performing stock during the first half of 2023, with a total return (including dividends) of 73.3%. Meanwhile, City Developments was the worst performer, at 16.5% negative total return over the same period.

The Straits Times Index (“STI”) generated a 1.2% gain during the first half of 2023. For the year from July 2022 to June 2023, STI gained 8.2% outperforming indices such as FTSE ST All-Share Index and FTSE ST Large & Mid Cap Index which recorded 5.3% and 6.5% gains respectively.

## **Market Outlook**

In the World Economic Outlook report published in July 2023, the International Monetary Fund (“IMF”) projected global GDP growth to fall from 3.5% in 2022 to 3.0% in both 2023 and 2024. The IMF expected inflation to fall from 8.7% in 2022 to 6.8% in 2023 due to lower commodity prices as supply-chain disruptions are unwinding and the dislocations to energy and food markets caused by the war are receding. Simultaneously, the tightening of monetary policy by most central banks is bringing inflation back towards their targets, but the increased cost of borrowing continues to weigh on economic activity.

Singapore’s economy is highly dependent on external demand and contributed to around 67% to 72% of Singapore’s GDP based on MTI’s data between 2015 to 2019. MTI projected Singapore economy to come in between 0.5% to 1.5% in 2023, from 3.6% in 2022. The Monetary Authority of Singapore (“MAS”) projected core inflation to remain unchanged for second half of 2023, averaging between 3.5% to 4.5%, as higher business costs continue to feed through to consumer prices.

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### B) Investments at fair value and as a percentage of net asset value (NAV) as at 30 June 2023 under review classified by

i)	Country	Fair Value \$	Percentage of net assets attributable to unitholders %
	<b>Quoted Equities</b>		
	China	442,350	1.09
	Hong Kong	3,095,513	7.66
	Philippines	156,000	0.39
	Singapore	35,287,301	87.35
	Thailand	781,492	1.93
		<hr/>	<hr/>
		39,762,656	98.42
	<b>Quoted Bonds</b>		
	Singapore	131,494	0.33
		<hr/>	<hr/>
	<b>Portfolio of investments</b>	<b>39,894,150</b>	<b>98.75</b>
	<b>Other net assets</b>	<b>506,688</b>	<b>1.25</b>
	<b>Net assets attributable to unitholders</b>	<b>40,400,838</b>	<b>100.00</b>

**B) Investments at fair value and as a percentage of net asset value (NAV) as at 30 June 2023 under review classified by (continued)**

ii) Industry	Fair Value \$	Percentage of net assets attributable to unitholders %	
<b>Quoted Equities</b>			
Communication Services	2,349,225	5.81	
Consumer Discretionary	651,984	1.61	
Consumer Staples	2,154,012	5.34	
Financials	19,173,755	47.45	
Industrials	6,950,072	17.20	
Information Technology	400,112	0.99	
Real Estate	7,417,991	18.37	
Utilities	665,505	1.65	
	<u>39,762,656</u>	<u>98.42</u>	
<b>Quoted Bonds</b>			
Industrials	131,494	0.33	
	<u>39,894,150</u>	<u>98.75</u>	
<b>Portfolio of investments</b>			
<b>Other net assets</b>	<b>506,688</b>	<b>1.25</b>	
<b>Net assets attributable to unitholders</b>	<b><u>40,400,838</u></b>	<b><u>100.00</u></b>	
		<b>Percentage of net assets attributable to unitholders</b>	<b>Percentage of net assets attributable to unitholders</b>
iii) Asset Class	Fair value at 30 June 2023	30 June 2023	30 June 2022
	\$	%	%
Quoted equities	39,762,656	98.42	97.85
Quoted bonds	131,494	0.33	0.61
Other net assets	506,688	1.25	1.54
<b>Net assets attributable to unitholders</b>	<b><u>40,400,838</u></b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>
<b>iv) Credit rating of debt securities</b>			
Unrated			

### C) Top Ten Holdings

The top ten holdings as at 30 June 2023 and 30 June 2022

#### 10 largest holdings at 30 June 2023

	Fair Value	Percentage of net assets attributable to unitholders
	\$	%
DBS Group Holdings Limited	7,539,933	18.66
Oversea-Chinese Banking Corporation	5,706,590	14.12
United Overseas Bank Limited	4,893,196	12.11
Singapore Telecommunications Limited	2,349,225	5.81
Jardine Matheson Holdings Limited	2,082,943	5.16
Keppel Corporation Limited	1,265,841	3.13
CapitaLand Ascendas Trust	1,226,845	3.04
CapitaLand Integrated Commercial Trust	1,184,878	2.93
CapitaLand Investment Limited	1,149,894	2.85
Wilmar International Limited	1,060,580	2.63

#### 10 largest holdings at 30 June 2022

	Fair Value	Percentage of total net assets attributable to unitholders
	\$	%
DBS Group Holdings Limited	7,102,038	18.15
Oversea-Chinese Banking Corporation	5,293,001	13.53
United Overseas Bank Limited	4,587,371	11.72
Singapore Telecommunications Limited	2,377,416	6.08
Jardine Matheson Holdings Limited	2,222,741	5.68
CapitaLand Integrated Commercial Trust	1,346,170	3.44
CapitaLand Investment Limited	1,327,068	3.39
Keppel Corporation Limited	1,224,339	3.13
Hongkong Land Holdings Limited	1,133,882	2.90
Wilmar International Limited	1,127,564	2.88

**D) Exposure to Derivatives**

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2023

Not applicable

ii) Net gain/(loss) on derivative contracts realised during the financial year ended 30 June 2023

Not applicable

iii) Net gain/(loss) on outstanding derivative contracts marked to market as at 30 June 2023

Not applicable

**E) Investments in other unit trusts, mutual funds and collective investment schemes as at 30 June 2023**

	Fair value	Percentage of total net assets attributable to unitholders
	\$	%
CapitaLand Ascendas Trust	1,226,845	3.04
CapitaLand Integrated Commercial Trust	1,184,878	2.93
Frasers Logistics & Commercial Trust	426,250	1.06
Mapletree Pan Asia Commercial Trust	486,000	1.20
Mapletree Industrial Trust	500,857	1.24
Mapletree Logistics Trust	706,871	1.75

**F) Amount and percentage of borrowings to NAV as at 30 June 2023**

Not applicable

**G) Amount of subscriptions and redemptions for the year 01 July 2022 to 30 June 2023**

Total amount of subscriptions	SGD	–
Total amount of redemptions	SGD	1,298,118

**H) Amount of related party transactions for the year 01 July 2022 to 30 June 2023**

Please refer to Note 9 of the Notes to the Financial Statements on page 35 and 36.

**I) Expense Ratios**

Please refer to Note 10 of the Notes to the Financial Statements on page 36.

**J) Turnover ratios**

Please refer to Note 10 of the Notes to the Financial Statements on page 36.

**K) Other material information**

There is no material information that will adversely impact the valuation of the Fund.

**L) Supplemental information on underlying sub-funds where the scheme invests more than 30% of its deposited property in another scheme**

Not applicable

**M) Soft dollar commissions/arrangements received by the Manager**

Under the Code on Collective Investment Schemes, the Manager may receive soft dollar commissions or arrangements when such commissions or arrangements can reasonably be expected to assist in providing investment advice to the customer, when best execution is carried out for the transaction, and provided the Manager does not enter into unnecessary trades to achieve a sufficient volume of transactions to qualify for soft dollars.

The soft dollar commissions / arrangements which the Manager may receive or enter into are limited to the following kinds of services: specific advice as to the advisability of dealing in, or of the value of any investments; research and advisory services; economic and political analysis; portfolio analysis including valuation and portfolio measurements; market analysis; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial services in relation to the investments managed for clients.

The receipt of goods and services such as travel, accommodation and entertainment that does not meet the conditions above is prohibited.

The Manager confirms that they are fully compliant with the Code on Collective Investment Schemes and other relevant industry standards.

**N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts**

Not applicable

## **SINGAPORE INDEX FUND**

(Constituted under a Trust Deed in the Republic of Singapore)

### **REPORT OF THE TRUSTEE**

*For the financial year ended 30 June 2023*

The Trustee is under a duty to take into custody and hold the assets of Singapore Index Fund (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements, set out on pages 14 to 37, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

27 September 2023

## **SINGAPORE INDEX FUND**

(Constituted under a Trust Deed in the Republic of Singapore)

### **STATEMENT BY THE MANAGER**

*For the financial year ended 30 June 2023*

In the opinion of the directors of Singapore Consortium Investment Management Limited, the accompanying financial statements set out on pages 14 to 37, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Singapore Index Fund (the "Fund") as at 30 June 2023, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager

**SINGAPORE CONSORTIUM INVESTMENT MANAGEMENT LIMITED**

Executive Director and CEO

27 September 2023



## **SINGAPORE INDEX FUND**

(Constituted under a Trust Deed in the Republic of Singapore)

### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SINGAPORE INDEX FUND**

#### ***Our Opinion***

In our opinion, the accompanying financial statements of Singapore Index Fund (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

#### ***What we have audited***

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2023;
- the Statement of Financial Position as at 30 June 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2023;
- the Statement of Portfolio as at 30 June 2023; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

#### ***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Independence***

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

## ***Our Audit Approach***

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### ***Key audit matters***

We have determined that there are no key audit matters to communicate in our report.

### ***Other Information***

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Manager for the Financial Statements***

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

***Auditor's Responsibilities for the Audit of the Financial Statements*** (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Paul Sammy Pak.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 27 September 2023

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Income</b>			
Dividends		1,930,876	1,518,925
Interest on cash and bank balances		2,151	1
		<u>1,933,027</u>	<u>1,518,926</u>
<b>Less: Expenses</b>			
Audit fee		23,005	23,000
Bank charges		–	(100)
Custody fees	9	17,877	17,985
Management fees	9	274,103	269,786
Printing expenses		12,149	6,774
Professional fees		16,066	12,087
Registrar fees	9	28,307	28,796
Trustee fees	9	30,699	30,216
Accounting and valuation fees	9	16,123	16,050
Transaction cost		2,108	1,021
Miscellaneous expenses*		(2,122)	(1,469)
		<u>418,315</u>	<u>404,146</u>
<b>Net income</b>		<u>1,514,712</u>	<u>1,114,780</u>
<b>Net gain or loss on value of investments</b>			
Net gains/(losses) on investments		1,083,889	(187,421)
Net foreign exchange gains		731	1,778
		<u>1,084,620</u>	<u>(185,643)</u>
<b>Total return for the year before income tax</b>		<u>2,599,332</u>	<u>929,137</u>
Less: Income tax	3	(34,714)	(27,004)
<b>Total return for the year</b>		<u>2,564,618</u>	<u>902,133</u>

\* Miscellaneous expenses includes GST rebate

The accompanying notes form an integral part of these financial statements.

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
Portfolio of investments		39,894,150	38,532,315
Receivables	5	4,929	–
Cash and bank balances	9	649,735	747,416
<b>Total assets</b>		<b>40,548,814</b>	<b>39,279,731</b>
<b>Liabilities</b>			
Payables	6	147,976	145,393
<b>Total liabilities</b>		<b>147,976</b>	<b>145,393</b>
<b>Equity</b>			
Net assets attributable to unitholders	7	40,400,838	39,134,338

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>39,134,338</b>	39,205,659
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>2,564,618</b>	902,133
<b>Unitholders' withdrawals</b>			
Cancellation of units		<b>(1,298,118)</b>	(973,454)
Change in net assets attributable to unitholders resulting from cancellation of units		<b>(1,298,118)</b>	(973,454)
Total increase/(decrease) in net assets attributable to unitholders		<b>1,266,500</b>	(71,321)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b>40,400,838</b>	39,134,338

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF PORTFOLIO

As at 30 June 2023

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - (Primary)*</b>			
<b>Quoted Equities</b>			
<b>Communication Services</b>			
Singapore Telecommunications Limited	939,690	<u>2,349,225</u>	<u>5.81</u>
<b>Consumer Discretionary</b>			
Genting Singapore Limited	693,600	<u>651,984</u>	<u>1.61</u>
<b>Consumer Staples</b>			
DFI Retail Group Holdings Limited	41,900	155,940	0.39
Emperor Inc	300,000	156,000	0.39
Thai Beverages PCL	1,347,400	781,492	1.93
Wilmar International Limited	279,100	1,060,580	2.63
<b>Total</b>		<u><b>2,154,012</b></u>	<u><b>5.34</b></u>
<b>Financials</b>			
DBS Group Holdings Limited	239,287	7,539,933	18.66
Oversea-Chinese Banking Corporation	464,706	5,706,590	14.12
Singapore Exchange Limited	107,600	1,034,036	2.56
United Overseas Bank Limited	174,757	4,893,196	12.11
<b>Total</b>		<u><b>19,173,755</b></u>	<u><b>47.45</b></u>

\* The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

*The accompanying notes form an integral part of these financial statements.*



## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF PORTFOLIO

As at 30 June 2023

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - (Primary)* (continued)</b>			
<b>Quoted Equities (continued)</b>			
<b>Industrials</b>			
Jardine Cycle & Carriage Limited	13,766	479,057	1.19
Jardine Matheson Holdings Limited	30,387	2,082,943	5.16
Keppel Corporation Limited	188,650	1,265,841	3.13
SATS Limited	160,300	413,574	1.02
Seatrium Limited	3,600,391	450,049	1.11
Singapore Airlines Limited	144,600	1,033,890	2.56
Singapore Technologies Engineering	212,600	782,368	1.94
Yangzijiang Shipbuilding Holdings Limited	294,900	442,350	1.09
<b>Total</b>		<b>6,950,072</b>	<b>17.20</b>
<b>Information Technology</b>			
Venture Corporation Limited	27,200	400,112	0.99

\* The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF PORTFOLIO

As at 30 June 2023

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - (Primary)* (continued)</b>			
<b>Quoted Equities (continued)</b>			
<b>Real Estate</b>			
CapitaLand Ascendas Trust	451,046	1,226,845	3.04
CapitaLand Integrated Commercial Trust	620,355	1,184,878	2.93
CapitaLand Investment Limited	347,400	1,149,894	2.85
City Developments Limited	65,380	439,354	1.09
Frasers Logistics & Commercial Trust	341,000	426,250	1.06
Hongkong Land Holdings Limited	162,300	856,630	2.12
Mapletree Industrial Trust	226,632	500,857	1.24
Mapletree Logistics Trust	436,340	706,871	1.75
Mapletree Pan Asia Commercial Trust	300,000	486,000	1.20
UOL Group Limited	68,600	440,412	1.09
<b>Total</b>		<b>7,417,991</b>	<b>18.37</b>
<b>Utilities</b>			
Sembcorp Industries Limited	115,740	665,505	1.65
<b>Total Quoted Equities</b>		<b>39,762,656</b>	<b>98.42</b>

\* The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF PORTFOLIO

As at 30 June 2023

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - (Primary)* (continued)</b>			
<b>Quoted Bonds (continued)</b>			
<b>Industrials</b>			
Singapore Airlines Limited ZCP Conv 0% 08/06/2030	122,892	131,494	0.33
<b>Portfolio of investments</b>		39,894,150	98.75
<b>Other net assets</b>		506,688	1.25
<b>Net assets attributable to unitholders</b>		40,400,838	100.00

\* The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF PORTFOLIO

As at 30 June 2023

	Percentage of net assets attributable to unitholders at 30 June 2023 %	Percentage of net assets attributable to unitholders at 30 June 2022 %
<b>By Industry - (Primary)* (Summary)</b>		
<b>Quoted Equities (continued)</b>		
Communication Services	5.81	6.08
Consumer Discretionary	1.61	1.28
Consumer Staples	5.34	5.54
Financials	47.45	46.30
Industrials	17.20	16.46
Information Technology	0.99	0.69
Real Estate	18.37	21.04
Utilities	1.65	0.46
	<b>98.42</b>	<b>97.85</b>
<b>Quoted Bonds</b>		
Industrials	0.33	0.61
	<b>98.75</b>	<b>98.46</b>
<b>Portfolio of investments</b>	<b>1.25</b>	<b>1.54</b>
<b>Other net assets</b>	<b>100.00</b>	<b>100.00</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

\* The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### STATEMENT OF PORTFOLIO

As at 30 June 2023

	Fair value at 30 June 2023	Percentage of net assets attributable to unitholders at 30 June 2023	Percentage of net assets attributable to unitholders at 30 June 2022
	\$	%	%
<b>By Geography - Secondary*</b>			
<b>Quoted Equities</b>			
China	442,350	1.09	0.70
Hong Kong	3,095,513	7.66	9.01
Philippines	156,000	0.39	–
Singapore	35,287,301	87.35	85.92
Thailand	781,492	1.93	2.22
	<b>39,762,656</b>	<b>98.42</b>	<b>97.85</b>
<b>Quoted Bonds</b>			
Singapore	131,494	0.33	0.61
	<b>39,894,150</b>	<b>98.75</b>	<b>98.46</b>
<b>Portfolio of investments</b>	<b>39,894,150</b>	<b>98.75</b>	<b>98.46</b>
<b>Other net assets</b>	<b>506,688</b>	<b>1.25</b>	<b>1.54</b>
<b>Net assets attributable to unitholders</b>	<b>40,400,838</b>	<b>100.00</b>	<b>100.00</b>

\* The geography classification is based on country of domicile of the investee companies.

*The accompanying notes form an integral part of these financial statements.*

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 30 June 2023*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1. GENERAL

Singapore Index Fund (the "Fund") is a Singapore registered trust fund constituted by a Trust Deed dated 12 November 1996 together with its Supplemental Deeds thereon (hereafter referred to as "Trust Deed") between Singapore Consortium Investment Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore.

The primary activity of the Fund is investment trading. The Fund's investment objective is to achieve medium to long term capital appreciation by investing in the component securities of the Straits Times Index (the "STI"). While the Fund will aim to follow the STI as closely as possible, the Fund's performance will not be able to exactly match the performance of the STI due to, among others, operating expenses.

Subscriptions and redemptions of the units are denominated in Singapore Dollars.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets held at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

### (d) Investments

Investments are classified as financial assets at fair value through profit or loss.

#### (i) Initial recognition

Purchase of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

#### (ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the year in which they arise.

#### (iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gain and loss on the sale of investments are computed on the basis of the difference between the weighted average carrying amount and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

### (e) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. The quoted market price used for investments in debt securities held by the Fund is the last traded market price. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Basis of valuation of investments (continued)

The fair value of investments held in underlying funds is the quoted net asset value of the underlying fund as determined by the underlying fund's administrator. Net changes in fair value of investments are included in the Statement of Total Return in the period in which they arise.

### (f) Foreign currency translation

#### (i) Functional and presentation currency

The Fund operates from Singapore with the subscriptions and redemptions of the units denominated in Singapore Dollars.

The performance of the Fund is measured and reported to the investors in Singapore Dollars. The Manager considers the Singapore Dollars as the currency of the primary economic environment in which the Fund operates. The financial statements are presented in Singapore Dollars ("S\$"), which is the Fund's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gain and loss resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities such as equity are also recognised in the Statement of Total Return within the net gain or loss on investments.

### (g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method less impairment.

### (h) Cash and bank balances

Cash and bank balances comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Payables

Payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

## 3. INCOME TAX

	2023	2022
	\$	\$
Singapore income tax	31,040	27,004
Foreign income tax	3,674	-
Total income tax	<u>34,714</u>	<u>27,004</u>

The Fund was granted the status of a Designated Unit Trust (“DUT”) in Singapore. The Trustee of the Fund ensures that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Singapore Income Tax Act 1947);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions, transactions in future contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

#### 4. DISTRIBUTION

The Manager has not proposed any distribution to unitholders for the financial years ended 30 June 2023 and 30 June 2022.

#### 5. RECEIVABLES

	2023	2022
	\$	\$
Dividends receivable	4,923	–
Other receivables	6	–
	<u>4,929</u>	<u>–</u>

#### 6. PAYABLES

	2023	2022
	\$	\$
Amount due to Manager	68,828	68,179
Amount due to Trustee	7,709	7,636
Other accruals for operating expenses	71,439	69,578
	<u>147,976</u>	<u>145,393</u>

#### 7. UNITS IN ISSUE

During the financial years ended 30 June 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

	2023	2022
Units at the beginning of the financial year	15,708,918	16,082,028
Units cancelled	(486,870)	(373,110)
Units at the end of the financial year	<u>15,222,048</u>	<u>15,708,918</u>
Net assets attributable to unitholders (\$)	40,400,838	39,134,338
Net asset value per unit (\$)	<u>2.6541</u>	<u>2.4912</u>

There were no units issued during the financial years ended 30 June 2023 and 2022. There is no difference between the net assets attributable to unitholders per unit per financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units.

## 8. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, financial options contracts and/or currency forward contracts subject to the terms of the Prospectus to moderate certain risk exposures.

The Fund's assets principally consist of financial instruments such as equity investments, fixed interest investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

### (a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund.

## 8. FINANCIAL RISK MANAGEMENT (continued)

### (a) Market risk (continued)

#### (i) Foreign exchange risk

The Fund has monetary financial assets and liabilities denominated in currencies other than Singapore Dollars and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between Singapore Dollars and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Fund.

The table below summarises the Fund's exposure to foreign currencies as at the end of the financial year.

As at 30 June 2023	SGD \$	USD \$	Total \$
<b><u>Assets</u></b>			
Portfolio of investments	36,798,637	3,095,513	39,894,150
Receivables	4,928	1	4,929
Cash and bank balances	634,272	15,463	649,735
<b>Total assets</b>	<b>37,437,837</b>	<b>3,110,977</b>	<b>40,548,814</b>
<b><u>Liabilities</u></b>			
Payables	147,976	–	147,976
<b>Total Liabilities</b>	<b>147,976</b>	<b>–</b>	<b>147,976</b>
<b>Net currency exposure</b>		<b>3,110,977</b>	
As at 30 June 2022	SGD \$	USD \$	Total \$
<b><u>Assets</u></b>			
Portfolio of investments	35,004,837	3,527,478	38,532,315
Receivables	747,416	–	747,416
<b>Total Assets</b>	<b>35,752,253</b>	<b>3,527,478</b>	<b>39,279,731</b>
<b><u>Liabilities</u></b>			
Payables	145,393	–	145,393
<b>Total Liabilities</b>	<b>145,393</b>	<b>–</b>	<b>145,393</b>
<b>Net currency exposure</b>		<b>3,527,478</b>	

## 8. FINANCIAL RISK MANAGEMENT (continued)

### (a) Market risk (continued)

#### (i) Foreign exchange risk (continued)

Portfolio of investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. The Manager has considered the impact of foreign exchange risk sensitivity on non-monetary assets as part of price risk sensitivity analysis.

As of 30 June 2023 and 2022, the Fund does not hold substantial monetary assets/liabilities. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Consequently, no separate sensitivity analysis on foreign currency risk has been presented.

#### (ii) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices. The Fund is designated to track the performance of the STI, therefore the exposure to price risk in the Fund will be substantially the same as the STI. As an exchange-traded fund, the Manager manages the Fund's exposure to price risk by ensuring the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to the STI characteristics.

If the STI at 30 June 2023 had increased or decreased by 12% (30 June 2022: 15%) with all other variables held constant, this would have increased or decreased respectively the net asset value and return for the year by approximately 12% (30 June 2022: 15%).

#### (iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect.

## 8. FINANCIAL RISK MANAGEMENT (continued)

### (a) Market risk (continued)

#### (iii) Interest rate risk (continued)

Interest rate movements affect the value of fixed income securities more directly than equities. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk.

The tables below summarise the Fund's exposure to interest rate risks. They include the Fund's assets and liabilities at fair value, categorised by interest rate types.

<b>As at 30 June 2023</b>	<b>Variable rates</b>	<b>Fixed rates</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Portfolio of investments	–	131,494	39,762,656	39,894,150
Receivables	–	–	4,929	4,929
Cash and bank balances	649,735	–	–	649,735
<b>Total assets</b>	<b>649,735</b>	<b>131,494</b>	<b>39,767,585</b>	<b>40,548,814</b>
<b>Liabilities</b>				
Payables	–	–	147,976	147,976
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>147,976</b>	<b>147,976</b>
<b>As at 30 June 2022</b>				
	<b>Variable rates</b>	<b>Fixed rates</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Portfolio of investments	–	237,918	38,294,397	38,532,315
Cash and bank balances	747,416	–	–	747,416
<b>Total assets</b>	<b>747,416</b>	<b>237,918</b>	<b>38,294,397</b>	<b>39,279,731</b>
<b>Liabilities</b>				
Payables	–	–	145,393	145,393
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>145,393</b>	<b>145,393</b>

## 8. FINANCIAL RISK MANAGEMENT (continued)

### (a) Market risk (continued)

#### (iii) Interest rate risk (continued)

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest as at 30 June 2023 is 0.46 (30 June 2022: 0.43). As of 30 June 2023, should interest rates lower or rise by 1% (30 June 2022: 1%), with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders would be as follows:

Fund	Impact of 1% (2022: 1%) movement in interest rate on net assets attributable to the unitholders	
	2023	2022
	\$	\$
Singapore Index Fund	605	1,023

### (b) Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than what would be typically expected for traditional investment instruments. No such instruments were held as at the end of the financial year.

The maturity profile of payables and net assets attributable to unitholders based on undiscounted cash flows is less than 1 year (30 June 2022: less than 1 year). The units are redeemable on demand at the holder's option subject to terms and conditions for redemption.

## 8. FINANCIAL RISK MANAGEMENT (continued)

### (c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on cash and bank balances, and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that are regularly assessed and updated by the Manager.

As the Fund does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the Statement of Financial Position.

The table below analyses the Fund's investments by credit ratings expressed as a percentage of net assets attributable to unitholders.

	2023	2022
	%	%
<b>Debt securities by rating category</b>		
Unrated - Quoted bonds	0.33	0.61
<b>Total debt securities</b>	<b>0.33</b>	<b>0.61</b>

The Fund's financial assets are neither past due nor impaired, representing cash and bank balances and receivables. Bank deposits and all the investments are held with a bank and a custodian respectively, that are part of HSBC Group with a credit rating assigned by Fitch at 30 June 2023 is A+ (30 June 2022: A+). The credit rating is based on the Viability rating published by the rating agency. Receivables are substantially from companies with good collection track record with the Fund.

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.



## 8. FINANCIAL RISK MANAGEMENT (continued)

### (d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders as the Fund does not have any gearing. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

### (e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2023 and 2022:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2023</b>				
<b>Assets</b>				
<b>Portfolio of investments</b>				
- Quoted equities	39,762,656	-	-	39,762,656
- Quoted bonds	131,494	-	-	131,494
	<u>39,894,150</u>	<u>-</u>	<u>-</u>	<u>39,894,150</u>
<b>As at 30 June 2022</b>				
<b>Assets</b>				
<b>Portfolio of investments</b>				
- Quoted equities	38,294,397	-	-	38,294,397
- Quoted bonds	237,918	-	-	237,918
	<u>38,532,315</u>	<u>-</u>	<u>-</u>	<u>38,532,315</u>

## 8. FINANCIAL RISK MANAGEMENT (continued)

### (e) Fair value estimation (continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, comprise active listed equities and bonds. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include corporate debt securities and over-the-counter derivatives.

Except for cash and bank balances which are classified as Level 1, the Fund's financial assets and liabilities not measured at fair value at 30 June 2023 and 2022 have been classified as Level 2. The carrying amounts of these financial assets and financial liabilities approximate their fair values as at the reporting date.

## 9. RELATED PARTY TRANSACTIONS

- (a) The Manager and the Trustee of the Fund are Singapore Consortium Investment Management Limited and HSBC Institutional Trust Services (Singapore) Limited, respectively. HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of HSBC Holdings plc.

Management fee is paid to the Manager. Trustee fee is paid to the Trustee. These fees paid or payable by the Fund are shown in the Statement of Total Return and are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

- (b) As at the end of the financial year, the Fund maintained current accounts with HSBC Group as follows:

	2023	2022
	\$	\$
Cash and bank balances	<u>649,735</u>	<u>747,416</u>

## 9. RELATED PARTY TRANSACTIONS (continued)

- (c) In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed.

	2023	2022
	\$	\$
Accounting and valuation fee expense charged by a related company of the Trustee	16,123	16,050
Transaction fee expense charged by the Trustee and its related company	150	75
Custody fee expense charged by a related company of the Trustee	17,877	17,985
Registrar fee expense charged by a related company of the Trustee	17,102	17,126

## 10. FINANCIAL RATIOS

	2023	2022
Expense ratio <sup>1</sup>	1.02%	1.00%
Turnover ratio <sup>2</sup>	2.45%	1.33%

- The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2023 was based on total operating expenses of \$416,207 (2022: \$403,125) divided by the average net asset value of \$40,794,211 (2022: \$40,317,944) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gain/loss, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.
- The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of \$1,001,185 (2022: purchase of \$535,514) divided by the average daily net asset value of \$40,794,211 (2022: \$40,317,944).

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### DETAILS OF TOP 10 HOLDINGS

	As at 30 June 2023			
	Cost \$	Percentage of share capital owned %	Dividends received \$	Dividend cover ratio*
DBS Group Holdings Limited	3,117,101	0.009	492,931	1.59
Oversea-Chinese Banking Corporation	3,365,317	0.010	316,000	1.86
United Overseas Bank Limited	2,331,501	0.010	235,922	2.24
Singapore Telecommunications Limited	2,764,390	0.006	111,823	0.90
Jardine Matheson Holdings Limited	2,539,578	0.011	88,861	0.57
Keppel Corporation Limited	661,171	0.011	62,255	1.59
CapitaLand Ascendas Trust	1,076,344	0.015	65,561	1.15
CapitaLand Integrated Commercial Trust	1,082,270	0.007	64,765	1.03
CapitaLand Investment Limited	599,247	0.007	41,688	0.95
Wilmar International Limited	1,531,391	0.004	47,447	3.02

\* Dividend cover ratio is the ratio of the company's net profit attributable to ordinary shareholders over the dividend payout as published in the latest annual report.

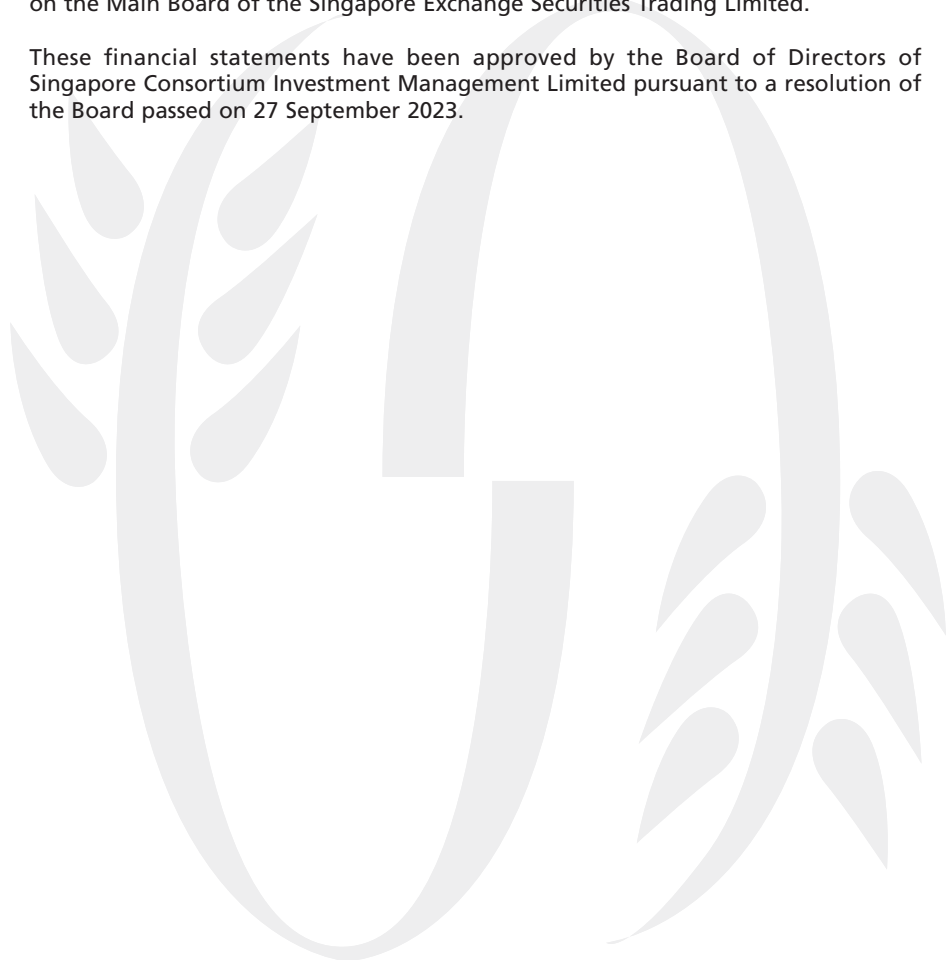
### SUMMARY OF INVESTMENT PORTFOLIO

	30 June 2023	30 June 2022
	Cost / Fair Value \$	Cost / Fair Value \$
<b>Investments:</b>		
Cost	<b>30,044,784</b>	30,002,047
Unrealised gain on investments	<b>9,849,366</b>	8,530,268
Net Book Value	<b>39,894,150</b>	38,532,315

## **INFORMATION ON THE PARTICULARS OF THE INVESTMENT MANAGER**

The investment manager of the Singapore Index Fund is Singapore Consortium Investment Management Limited which is located at 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541. As at date of announcement, the Manager also manages Global Investments Limited, a mutual fund company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

These financial statements have been approved by the Board of Directors of Singapore Consortium Investment Management Limited pursuant to a resolution of the Board passed on 27 September 2023.



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**Manager**

Singapore Consortium Investment Management Limited  
250 Tanjong Pagar Road, #09-01 St Andrew's Centre  
Singapore 088541  
Company Reg No. 199607548K

**Directors of Singapore Consortium Investment Management Limited**

Boon Swan Foo  
Tan Hui Keng Martha  
Chew Seng Fang  
Tan Mui Hong

**Trustee / Registrar**

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard #48-01  
Marina Bay Financial Centre Tower 2  
Singapore 018983

**Custodian**

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

**Solicitors to the Manager**

Tan Peng Chin LLC  
50 Raffles Place  
#27-01 Singapore Land Tower  
Singapore 048623

**Solicitors to the Trustee**

Shook Lin & Bok LLP  
1 Robinson Road  
#18-00 AIA Tower  
Singapore 048542

**Auditor**

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



**SINGAPORE INDEX FUND**

**PROSPECTUS REQUIRED PURSUANT TO THE SECURITIES AND FUTURES ACT 2001**

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Boon Swan Foo  
Director



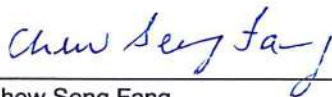
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Tan Mui Hong  
Director



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Tan Hui Keng Martha  
Director



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Chew Seng Fang  
Director

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