FULLERTON FUND
(THE "FUND")

SECOND SUPPLEMENTARY PROSPECTUS DATED 5 JUNE 2020

A copy of this Second Supplementary Prospectus has been lodged with the Monetary Authority of Singapore, who takes no responsibility for its contents.

This Second Supplementary Prospectus is lodged pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and is supplemental to the prospectus registered on 4 December 2019, as amended by the supplementary prospectus lodged on 28 February 2020 (the "**Prospectus**"), relating to the Fund.

Terms used in this Second Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus and references to "paragraph" (unless otherwise indicated) are to the paragraphs of the Prospectus. This Second Supplementary Prospectus is to be read and construed in conjunction and as one document with the Prospectus. It should not be distributed without the Prospectus.

This Second Supplementary Prospectus sets out the amendments made to the Prospectus to reflect (i) the change of the Trustee's address; (ii) changes to the directors of the Managers; (iii) the adoption of swing pricing for Fullerton SGD Heritage Income ("**FSHI**"); (iv) changes to the disclosure on dilution adjustment; (v) the change of the name of the benchmark for Fullerton Singapore Bond Fund ("**FSBF**"); and (vi) the offer of the new Class R (S$-Hedged) Units of Fullerton USD Income Fund ("**FUSIF**").

The Prospectus is amended as follows:

<u>1. Change of the Trustee's address</u>

The information on the Trustee in the Directory is deleted in its entirety and replaced with the following:

"

Trustee

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

<u>2. Resignation of Mr Kee Teck Koon as a director of the Managers</u>

The description of Mr Kee Teck Koon in paragraph 2.5 is deleted in its entirety.

<u>3. Appointment of Mr Vincent Lien Jown Jing as a director of the Managers</u>

The following description of Mr Vincent Lien Jown Jing is inserted immediately before paragraph 2.6:

"<u>Mr Vincent Lien Jown Jing</u>

Mr Lien is a director and a member of the Investment Committee of NTUC Income Insurance Co-operative Limited. He is also a Managing Director of Lien Properties Private Limited, and a director of Lien Ying Chow Private Limited, Wah Hin & Company and the Maritime & Port Authority of Singapore, among others. He has over 20 years' experience in banking, specialising in corporate finance and capital management in Hong Kong, the PRC, Singapore and Southeast Asia.

Prior to his retirement, he held various senior positions at major multinational banking institutions including Swiss Bank Corporation, Bankers Trust and ABN AMRO. He is also a Council Member of the Lien Ying Chow Legacy Fellowship.

Mr Lien graduated from the University of New Brunswick with a Bachelor of Business Administration degree. He holds a Doctor of Philosophy Honours from Hyupsung University."

4. Adoption of swing pricing for FSHI with effect from 10 July 2020

(a) Paragraph 11.4.2(iii) is deleted in its entirety and replaced with the following:

"**(iii) Dilution Adjustment for certain Sub-Funds**

We may apply Dilution Adjustment for:

- FSTIR and FSIF (with effect from 22 July 2015)
- FUSIF
- FSHI (with effect from 10 July 2020)

If applied, this will impact the Issue Price of their Units. Please refer to Paragraph 20.8 for details."

(b) Paragraph 12.2.2(iii) is deleted in its entirety and replaced with the following:

"**(iii) Dilution Adjustment for certain Sub-Funds**

We may apply Dilution Adjustment for:

- FSTIR and FSIF (with effect from 22 July 2015)
- FUSIF
- FSHI (with effect from 10 July 2020)

If applied, this will impact the Realisation Price of their Units. Please refer to Paragraph 20.8 for details."

(c) Paragraph K.1 of Annex 13 is deleted in its entirety and replaced with the following:

"**K.1 Fees and charges applicable to the Sub-Fund**

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund[(b)]	
Trustee Fee, Registrar Fee and Valuation Fee(c)	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.80% p.a., Maximum 1.5% p.a. Class B Units: Currently 0.80% p.a., Maximum 1.5% p.a. Class B1 (US$-Hedged) Units: Currently 0.80% p.a., Maximum 1.5% p.a. Class B2 (US$-Hedged) Units: Currently 0.40% p.a., Maximum 1.5% p.a. Class C Units: Currently 0.80% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*

Audit fee(d) (payable to the Auditors), custody and transaction fees(e) (payable to the Trustee and the Custodian) and other fees and charges(f)	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

(a) The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

(b) With effect from 10 July 2020, for fees payable by the Sub-Fund and calculated based on the Net Asset Value, such fees will be computed before taking into account any Dilution Adjustment. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

(c) The registrar fee and valuation fee are subject to agreement with the relevant parties.

(d) The audit fee is subject to agreement with the Auditors for the relevant financial year.

(e) The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund.

(f) "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses."

(d) Paragraph N of Annex 13 is deleted in its entirety and replaced with the following:

"**N. Performance (as of 30 September 2019)**

As FSHI is a newly established fund, a track record of at least one year is not available.

To counter the impact of significant net transactions on any Dealing Day, we may, with effect from 10 July 2020, apply Dilution Adjustment in the calculations of the Net Asset Value. Performance figures from that date are calculated after taking into account any Dilution Adjustment. Therefore, the returns of FSHI may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of the underlying investments of FSHI. The use of Dilution Adjustment to calculate performance returns may increase the variability of FSHI's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment."

5. Changes to the disclosure on dilution adjustment

(a) The following new row is inserted at the end of the table at Paragraph 1.3.1 of the Prospectus:

"

29 May 2020	Thirty-Third Amending and Restating Deed

"

(b) Paragraph 20.8 is deleted in its entirety and replaced with the following:

"**20.8 Dilution Adjustment**

The Sub-Funds are single priced and may fall in value due to the transaction costs incurred in the purchase and sale of underlying investments (such costs could include but are not limited to dealing spreads, broker commissions, custody transaction costs, stamp duties or sales taxes) caused by significant transactions (e.g. subscriptions, switches and/or realisations) made by Holders of the relevant Sub-Fund. This effect is known as “dilution”.

In order to counter dilution and to protect the Holders’ interests, we may apply a technique known as “dilution adjustment” or “swing pricing” by adjusting the Net Asset Value of the Sub-Fund so that the transaction costs caused by significant transactions are, as far as practical, passed on to the active investors (i.e. those who are subscribing, switching and/or realising on a particular Dealing Day). Consequently, in certain circumstances, we will make adjustments in the calculations of the Net Asset Values, to counter the impact of dealing and other costs on occasions when these are deemed to be significant (“Dilution Adjustment”). Dilution Adjustment only reduces the effect of dilution and does not eliminate it entirely.

Dilution Adjustment will not be applied if the net transaction on each Dealing Day does not exceed the threshold as a percentage of the Dealing Day's Net Asset Value (the “Threshold”). The need to apply Dilution Adjustment will depend upon the net value of subscriptions, switches and/or realisations received by the Sub-Fund on each Dealing Day. This could increase the variability of a Sub-Fund's return which is computed based on the Net Asset Value after application of Dilution Adjustment. To minimise the impact to the variability of a Sub-Fund's returns, we reserve the right to apply Dilution Adjustment where the Sub-Fund experiences a net transaction which exceeds the Threshold. Applying Dilution Adjustment only when the net transaction exceeds the Threshold reduces the impact to the variability of a Sub-Fund's returns. However, dilution arising from a net transaction that is below the Threshold may not be reduced and the Holders’ interests may be impacted by such dilution. The Threshold will be set with the objective of protecting the Holders’ interest while minimising impact to the variability of the Sub-Fund's return by ensuring that the Net Asset Value is not adjusted where the dilution impact on the Sub-Fund is not significant.

We have the discretion to determine and vary the Threshold from time to time. The Threshold may be applied on one or more Sub-Funds and may also vary between them due to differences between each Sub-Fund's characteristics.

We may also make a discretionary Dilution Adjustment if, in our opinion, it is in the interest of the Sub-Fund to do so (such as during times of stress in the markets).

Where a Dilution Adjustment is made, it will typically increase the Net Asset Value when there are net subscriptions into the Sub-Fund and decrease the Net Asset Value when there are net realisations out of the Sub-Fund. The Net Asset Value of each Class in the Sub-Fund will be calculated separately but any Dilution Adjustment will, in percentage terms, affect the Net Asset Value of each Class identically.

As dilution is related to the net subscription and net realisation of a Sub-Fund, dilution may occur in the future. Consequently, it is not possible to accurately predict how frequently we will need to make such Dilution Adjustment. Dilution Adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, which may vary with market conditions. This means that we may increase or vary the amount of the Dilution Adjustment from time to time.

Under normal circumstances, the Dilution Adjustment will not exceed 2% of the relevant Net Asset Value. However, please note that we have the discretion to temporarily increase the Dilution Adjustment beyond this 2% limit in accordance with the Deed, including:

(i) where we observe any period of significant liquidity pressures in the markets resulting in an abnormal increase of transaction costs;

(ii) where we observe a significant distortion between the realisable traded price of a security and its valuation price; or

(iii) in any other exceptional circumstance, where the increase of the Dilution Adjustment beyond the 2% limit is, in our opinion, in the interest of the Holders of the relevant Sub-Fund.

We will notify investors only when we have increased the Dilution Adjustment beyond the 2% limit.

We intend to adopt Dilution Adjustment for:

- FSTIR and FSIF (with effect from 22 July 2015)
- FUSIF
- FSHI (with effect from 10 July 2020)

Please refer to the Annexes for these Sub-Funds on the impact of Dilution Adjustment on the Net Asset Value."

6. Change of the name of the benchmark for FSBF

The following sub-paragraph is inserted immediately at the end of paragraph I of Annex 4:

"The composite benchmark was renamed to **50% Refinitiv/iEdge SFI and 50% Refinitiv/iEdge SFI 1-3Y** with effect from 20 April 2020."

7. Offer of new Class R (S$-Hedged) Units of FUSIF

Annex 9 is amended as follows:

(a) Paragraph E is deleted in its entirety and replaced with the following:

"**E. Classes**

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A (S$-Hedged) ^*	S$	Available for subscription generally.	None	None
Class B (US$)	US$	Available for subscription generally.	None	None
Class C (AUD-Hedged)^	AUD	Available for subscription generally.	None	None
Class D (EUR-Hedged)^	EUR	Available for subscription generally.	None	None
Class E (GBP-Hedged)^	GBP	Available for subscription generally.	None	None
Class F (US$)	US$	Available for subscription generally.	US$30 million	US$10 million
Class G (US$)#	US$	Available for subscription generally.	US$50 million+	US$10 million+
Class H (HK$)#	HK$	Available for subscription generally.	None	None
Class R (S$-Hedged) ^*	S$	Class R Units are available to retail investors	None	None

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
		in certain circumstances when investing through distributors, financial advisors, platforms or other intermediaries (each an "**Intermediary**" and together the "**Intermediaries**") on the basis of a separate agreement or fee arrangement between the investor and an Intermediary, to which we and the Trustee are not a party to or liable under. For the avoidance of doubt, (i) Class R Units may be offered in jurisdictions where the Intermediaries or their nominees do not require commission or are not eligible to receive commission under the adviser charging rules, and (ii) Preliminary Charge for Class R Units will not be paid to Intermediaries.		
Class R (US$)	US$	Class R Units are available to retail investors in certain circumstances when investing through distributors, financial advisors, platforms or other intermediaries (each an "**Intermediary**" and together the "**Intermediaries**") on the basis of a separate agreement or fee arrangement between the investor and an Intermediary, to which we and the Trustee are not a party to or liable under. For the avoidance of doubt, (i) Class R Units may be offered in jurisdictions where the Intermediaries or their	None	None

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
		nominees do not require commission or are not eligible to receive commission under the adviser charging rules, and (ii) Preliminary Charge for Class R Units will not be paid to Intermediaries.		

^ Please note that the class currencies of Class A (S$-Hedged), Class C (AUD-Hedged), Class D (EUR-Hedged), Class E (GBP-Hedged) and Class R (S$-Hedged) will be hedged against the base currency of FUSIF (US$). Please see "Currency Risk" section below for details.

* Denotes availability for SRS subscription.

# Denotes accumulating class. Classes without this indication are distributing classes.

+ This may be waived or varied in our absolute discretion.

There is no minimum amount for partial realisations for each Class of FUSIF."

(b) Paragraph F is deleted in its entirety and replaced with the following:

"**F. Initial Issue Price and Initial Offer Period**

Initial Issue Price	Class H (HK$) Units: HK$10.000 Class R (S$-Hedged) Units: S$1.00000 Class R (US$) Units: US$1.00000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

"

(c) Paragraph G is deleted in its entirety and replaced with the following:

"**G. Conditions to the launch of a Class**

The launch of Class R (S$-Hedged) is conditional upon a minimum amount of S$1 million raised. This condition may be waived at our absolute discretion.

We reserve the right not to proceed with the launch of any Class in the event that we are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the launch.

In such event, the Class will be deemed not to have commenced and we may notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after the close of the initial offer period."

(d) The row "Management Fee" appearing in the table under paragraph "H. Fees and Charges" is deleted in its entirety and replaced with the following:

“

Management Fee	Class A (S$-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class B (US$) Units: Currently 0.8% p.a., Maximum 1% p.a. Class C (AUD-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class D (EUR-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class E (GBP-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class F (US$) Units: Currently 0.6% p.a., Maximum 1% p.a. Class G (US$) Units: Currently 0.4% p.a., Maximum 1% p.a. Class H (HK$) Units: Currently 0.8% p.a., Maximum 1% p.a. Class R (S$-Hedged) Units: Currently 0.5% p.a., Maximum 1% p.a. Class R (US$) Units: Currently 0.5% p.a., Maximum 1% p.a.

”

(e) Sub-paragraph (5) appearing under paragraph “I. Specific Risks of Investments in FUSIF” is deleted in its entirety and replaced with the following:

“**(5) Currency Risk**

FUSIF may be affected favourably or unfavourably by changes in currencies and exchange control regulations. The income earned by FUSIF may be affected by fluctuations in foreign exchange rates. We may manage the currency risk by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FUSIF may not be fully hedged.

For Class A (S$-Hedged), Class C (AUD-Hedged), Class D (EUR-Hedged), Class E (GBP-Hedged) and Class R (S$-Hedged) (the “Hedged Classes”), we intend to hedge the respective class currencies (S$, AUD, EUR and GBP) against the base currency of FUSIF (US$) but this may not be fully hedged. The hedging of the Hedged Classes may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.”

(f) Paragraph K is deleted in its entirety and replaced with the following:

“**K. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)**

The expense ratio of each Class of Units in FUSIF (except for Class H (HK$), Class R (S$-Hedged) and Class R (US$) Units) is:

Class	Expense Ratio
Class A (S$-Hedged)	0.80%
Class B (US$)	0.80%
Class C (AUD-Hedged)	0.80%
Class D (EUR-Hedged)	0.80%
Class E (GBP-Hedged)	0.80%
Class F (US$)	0.60%
Class G (US$)	0.40%

The turnover ratio of FUSIF is 13.50%.”

FULLERTON FUND

SECOND SUPPLEMENTARY PROSPECTUS LODGED
PURSUANT TO THE SECURITIES AND FUTURES ACT

Jenny Sofian
Director

Jenny Sofian for and on behalf of

Ho Tian Yee
Director

Nels Radley Friets
Director

Phoon Siew Heng
Director

Lester Edward Gray
Director

Pang Wai Yin
Director

Jeanette Wong Kai Yuan
Director

Vincent Lien Jown Jing
Director

FULLERTON FUND
(THE "FUND")

SUPPLEMENTARY PROSPECTUS DATED 28 FEBRUARY 2020

A copy of this Supplementary Prospectus has been lodged with the Monetary Authority of Singapore, who takes no responsibility for its contents.

This Supplementary Prospectus is lodged pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and is supplemental to the prospectus registered on 4 December 2019 (the "**Prospectus**"), relating to the Fund.

Terms used in this Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus and references to "paragraph" (unless otherwise indicated) are to the paragraphs of the Prospectus. This Supplementary Prospectus is to be read and construed in conjunction and as one document with the Prospectus. It should not be distributed without the Prospectus.

This Supplementary Prospectus sets out the amendments made to the Prospectus to (i) change the classification of Fullerton Short Term Interest Rate Fund ("**FSTIR**") under the Notice on the Sale of Investment Products; (ii) include a disclosure on the risks of the transition of the London Interbank Offered Rate ("**LIBOR**") and/or the Singapore Interbank Offered Rate ("**SIBOR**") to alternative reference rates; and (iii) reflect the offer of the new Class B1 (US$-Hedged) Units of Fullerton SGD Heritage Growth ("**FSHG**") and Fullerton SGD Heritage Balanced ("**FSHB**").

The Prospectus is amended as follows:

1. Change of the classification of FSTIR

The row "(i) Fullerton Short Term Interest Rate Fund ("**FSTIR**")" appearing in the table at paragraph 1.1.1 is deleted in its entirety and replaced with the following:

"

(i)	Fullerton Short Term Interest Rate Fund ("FSTIR")	EIP

"

2. Disclosure on the risk of the transition of LIBOR and/or SIBOR

The following new paragraph 10.1.16 is inserted immediately after paragraph 10.1.15:

"**10.1.16** The IBOR (which for the purposes of this Prospectus, refers to the London Interbank Offered Rate (LIBOR) and/or the Singapore Interbank Offered Rate (SIBOR), as the case may be), is currently being reviewed by various government agencies. As at 20 February 2020, the key aspects of the discontinuation of the various forms of IBOR (if applicable), and their replacement(s), are not known with certainty. It is possible that any proposed replacement interest rate will have to run in parallel with IBOR for several years in order to help determine a fair compensating credit spread between IBOR and the replacement interest rate for those financial assets that will need to change their reference interest rate to the new index.

There is a possibility that, depending on the manner of transition away from IBOR and the mechanics of that transition, any discontinuation and replacement of IBOR may have a materially adverse impact on a Sub-Fund's portfolio and performance, especially the financial contracts entered into by or on behalf of the Sub-Fund that have a maturity beyond the applicable deadline for such discontinuation and/or replacement. Given the current uncertainty in this area, it is difficult for us to quantify or speculate on any likely impact of such a discontinuation and/or replacement on the Sub-Fund. We will monitor the situation and may bring any material developments in this area to the attention of the relevant parties.

We may (subject to applicable laws, regulations and the guidance of any competent authority), without notice to you or any relevant parties, and without seeking the consent, approval or instructions of you or any relevant parties, determine that any or all references to and/or use of IBOR shall be replaced by a Replacement Benchmark (as defined below) with effect from a date and time to be selected by us in our sole and absolute discretion.

The Replacement Benchmark means a benchmark interest rate which is:

(i) formally designated, nominated or recommended as the replacement for IBOR by:

(a) the administrator of IBOR; or

(b) any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them ("**Competent Authority**");

(ii) in our opinion, generally accepted in the international or any relevant domestic markets as the appropriate successor to IBOR; or

(iii) in our opinion, an appropriate successor to IBOR.

For this purpose, we shall have full power and discretion to take any action (including obtaining any necessary approvals, authorisations and consents) in order to (without limitation):

(a) align any provision of this Prospectus with the use of the Replacement Benchmark;

(b) enable the Replacement Benchmark to be used for the calculation or determination of interest under this Prospectus (including, without limitation, any consequential changes required to enable the Replacement Benchmark to be used for the purposes of this Prospectus);

(c) implement market conventions applicable to the Replacement Benchmark;

(d) provide for appropriate fallback (and market disruption) provisions for the Replacement Benchmark; or

(e) adjust the Net Asset Value of the relevant Sub-Fund to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of the application of the Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by a Competent Authority, the adjustment shall be determined on the basis of that designation, nomination or recommendation).

Subject to the Deed, all costs and expense arising from the above shall be paid out of the relevant Sub-Fund directly and/or reimbursed to us."

3. Offer of new Class B1 (US$-Hedged) Units of FSHG

The annexure "Annex 11 – Fullerton SGD Heritage Growth" is amended as follows:

(a) Paragraph "G. Distribution Policy" is deleted in its entirety and replaced with the following:

"**G. Distribution Policy**

Distributions (if any) may be declared in our absolute discretion.

Class	Distribution Rate	Frequency
Class A	No distribution	N.A.
Class B	Up to 2% p.a.	Monthly
Class B1 (US$-Hedged)	Up to 2% p.a.	Monthly
Class B2 (US$-Hedged)	Up to 2% p.a.	Monthly

Class A: Accumulating Class. No distribution.

Classes B, B1 (US$-Hedged) and B2 (US$-Hedged): Distributing Class. Our current intention is to declare distribution out of the income and/or capital of FSHG.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Please note the risks of distributions described in Paragraph 10.1.13."

(b) Paragraph "H. Classes" is deleted in its entirety and replaced with the following:

"**H. Classes**

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A *#	S$	Available for subscription generally.	None	None
Class B *	S$	Available for subscription generally.	None	None
Class B1 (US$-Hedged) +	US$	Available for subscription generally.	None	None
Class B2 (US$-Hedged) +	US$	Available for subscription generally.	US$1 million ^	US$1 million ^

* Denotes availability for SRS subscription.

# Denotes accumulating class. The other class is distributing class.

^ This may be waived or varied in our absolute discretion.

+ Please note that the class currency of Classes B1 (US$-Hedged) and B2 (US$-Hedged) will be hedged against the base currency of FSHG (S$). Please see the "Currency Risk" section below for details.

There is no minimum amount for partial realisations for each Class of FSHG."

(c) Paragraph "I. Initial Issue Price and Initial Offer Period" is deleted in its entirety and replaced with the following:

"**I. Initial Issue Price and Initial Offer Period**

Initial Issue Price	Class B1 (US$-Hedged) Units: US$1.00000 Class B2 (US$-Hedged) Units: US$1.00000
Initial Offer Period	The initial offer period in respect of each Class of Units will be for such period and at such time, as we may determine in our absolute discretion.

The launches of Classes B1 (US$-Hedged) and B2 (US$-Hedged) are each conditional upon a minimum amount of US$1 million raised for that class. This condition may be waived in our absolute discretion.

If we do not proceed with the launch of Class B1 (US$-Hedged) or Class B2 (US$-Hedged), that class will be deemed not to have commenced and we will notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after our decision not to proceed with the launch."

(d) The row "Management Fee" appearing in the table under paragraph "K.1 Fees and charges applicable to the Sub-Fund" is deleted in its entirety and replaced with the following:

"

Management Fee	Class A Units: Currently 0.98% p.a., Maximum 1.5% p.a. Class B Units: Currently 0.98% p.a., Maximum 1.5% p.a. Class B1 (US$-Hedged) Units: Currently 0.98% p.a., Maximum 1.5% p.a. Class B2 (US$-Hedged) Units: Currently 0.50% p.a., Maximum 1.5% p.a.

"

(e) Sub-paragraph "(1) Currency Risk" appearing under paragraph "L. Specific Risks of Investments in FSHG" is deleted in its entirety and replaced with the following:

"**(1) Currency Risk**

Where the underlying investments of FSHG are not denominated in Singapore Dollars (including the Fullerton Lux Sub-Funds, which are denominated in US Dollars), an appreciation of the Singapore Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into Singapore Dollars. Conversely, a depreciation of the Singapore Dollar against other currencies adds to the returns from investments in those countries when converted back into Singapore Dollars.

We may manage the currency risk of FSHG by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSHG may not be fully hedged. The currency hedging transactions (if any) may reduce FSHG's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

For Classes B1 (US$-Hedged) and B2 (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSHG (S$) but this may not be fully hedged. The hedging of Classes B1 (US$-Hedged) and B2 (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations."

4. Offer of new Class B1 (US$-Hedged) Units of FSHB

The annexure "Annex 12 – Fullerton SGD Heritage Balance" is amended as follows:

(a) Paragraph "G. Distribution Policy" is deleted in its entirety and replaced with the following:

"**G. Distribution Policy**

Distributions (if any) may be declared in our absolute discretion.

Class	Distribution Rate	Frequency
Class A	No distribution	N.A.
Class B	Up to 4% p.a.	Monthly
Class B1 (US$-Hedged)	Up to 4% p.a.	Monthly
Class B2 (US$-Hedged)	Up to 4% p.a.	Monthly

Class A: Accumulating Class. No distribution.

Classes B, B1 (US$-Hedged) and B2 (US$-Hedged): Distributing Class. Our current intention is to declare distribution out of the income and/or capital of FSHB.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Please note the risks of distributions described in Paragraph 10.1.13."

(b) Paragraph "H. Classes" is deleted in its entirety and replaced with the following:

"**H. Classes**

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A *#	S$	Available for subscription generally.	None	None
Class B *	S$	Available for subscription generally.	None	None
Class B1 (US$-Hedged) +	US$	Available for subscription generally.	None	None
Class B2 (US$-Hedged) +	US$	Available for subscription generally.	US$1 million ^	US$1 million ^

* Denotes availability for SRS subscription.

# Denotes accumulating class. The other class is distributing class.

^ This may be waived or varied in our absolute discretion.

+ Please note that the class currency of Classes B1 (US$-Hedged) and B2 (US$-Hedged) will be hedged against the base currency of FSHB (S$). Please see the "Currency Risk" section below for details.

There is no minimum amount for partial realisations for each Class of FSHB."

(c) Paragraph "I. Initial Issue Price and Initial Offer Period" is deleted in its entirety and replaced with the following:

"**I. Initial Issue Price and Initial Offer Period**

Initial Issue Price	Class B1 (US$-Hedged) Units: US$1.00000 Class B2 (US$-Hedged) Units: US$1.00000
Initial Offer Period	The initial offer period in respect of each Class of Units will be for such period and at such time, as we may determine in our absolute discretion.

The launches of Classes B1 (US$-Hedged) and B2 (US$-Hedged) are each conditional upon a minimum amount of US$1 million raised for that class. This condition may be waived in our absolute discretion.

If we do not proceed with the launch of Class B1 (US$-Hedged) or Class B2 (US$-Hedged), that class will be deemed not to have commenced and we will notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after our decision not to proceed with the launch."

(d) The row "Management Fee" appearing in the table under paragraph "K.1 Fees and charges applicable to the Sub-Fund" is deleted in its entirety and replaced with the following:

"

Management Fee	Class A Units: Currently 0.88% p.a., Maximum 1.5% p.a. Class B Units: Currently 0.88% p.a., Maximum 1.5% p.a. Class B1 (US$-Hedged) Units: Currently 0.88% p.a.; Maximum 1.5% p.a. Class B2 (US$-Hedged) Units: Currently 0.45% p.a., Maximum 1.5% p.a.

"

(e) Sub-paragraph "(1) Currency Risk" appearing under paragraph "L. Specific Risks of Investments in FSHB" is deleted in its entirety and replaced with the following:

"**(1) Currency Risk**

Where the underlying investments of FSHB are not denominated in Singapore Dollars (including the Fullerton Lux Sub-Funds, which are denominated in US Dollars), an appreciation of the Singapore Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into Singapore Dollars. Conversely, a depreciation of the Singapore Dollar against other currencies adds to the returns from investments in those countries when converted back into Singapore Dollars.

We may manage the currency risk of FSHB by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSHB may not be fully hedged. The currency hedging transactions (if any) may reduce FSHB's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

For Classes B1 (US$-Hedged) and B2 (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSHB (S$) but this may not be fully hedged. The hedging of Classes B1 (US$-Hedged) and B2 (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations."

FULLERTON FUND

SUPPLEMENTARY PROSPECTUS LODGED

PURSUANT TO THE SECURITIES AND FUTURES ACT

Jenny Sofian
Director

Jenny Sofian for and on behalf of

Ho Tian Yee
Director

Nels Radley Friets
Director

Phoon Siew Heng
Director

Lester Edward Gray
Director

Kee Teck Koon
Director

Pang Wai Yin
Director

Jeanette Wong Kai Yuan
Director

FULLERTON FUND

Constituted in Singapore

FULLERTON FUND MANAGEMENT

PROSPECTUS

Registered on 4 December 2019

FULLERTON FUND

IMPORTANT INFORMATION

The collective investment schemes offered in this Prospectus (each, a "**Sub-Fund**" and collectively, the "**Sub-Funds**") are each an authorised scheme under the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**").

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Prospectus and 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 Sub-Funds.

Please note that the purchase of a unit in the Sub-Funds, Fullerton SGD Cash Fund ("FSCF") and Fullerton USD Cash Fund ("FUCF"), is different from placing funds on deposit with a bank or deposit-taking company. Although the Managers may seek to maintain or preserve the principal value of FSCF and FUCF, these Sub-Funds may not be able to meet this objective. There is no guarantee as to the amount of capital invested, or that you will realise a profit on your investment.

This Prospectus was registered with the Authority on 4 December 2019. It is valid up to and including 3 December 2020 and will expire on 4 December 2020.

The units of the Sub-Funds (the "**Units**") are offered in Singapore based only on the information contained in this Prospectus. No one is authorised to give any other information or to make any other representations concerning the Sub-Funds.

No action has been taken to permit the distribution of this Prospectus in any other jurisdiction, whether by registering this Prospectus or the Units. The distribution of this Prospectus and the offering or sale of Units in some jurisdictions may be restricted or prohibited. Please note such restrictions or prohibitions, and observe them.

The Units are currently not listed on any securities exchange. There is no ready market for the Units. You may request us to realise all or part of your holding of Units according to the provisions of the deed of trust (as amended) (the "**Deed**") relating to the Fullerton Fund (the "**Fund**").

We, as managers of the Fund (the "**Managers**"), accept full responsibility for the accuracy of information contained in this Prospectus and having made all reasonable enquiries, confirm that to the best of our knowledge and belief, there are no facts the omission of which would make any statement in this Prospectus misleading. However, we do not represent or warrant that changes will not be made to the Fund after the registration date of this Prospectus. Unless otherwise stated, all terms not defined in this Prospectus have the same meanings as used in the Deed.

Please seek professional advice in the event of any doubt or ambiguity. You are to determine for yourself (a) the possible tax consequences; (b) the legal requirements and restrictions; and (c) any foreign exchange transaction or exchange control requirement that may be relevant to your subscription, purchase, holding or disposal of Units. These issues may arise due to your citizenship, residence, domicile or other factors. You are responsible for observing all the laws and regulations that may apply to you (including those of other jurisdictions).

Our unit trusts are not obligations of, deposits in, or guaranteed by, us or any of our affiliates. An investment in unit trusts is subject to investment risks, including the possible loss of the principal investment. Past performance is not necessarily indicative of the future performance of the Managers or any Sub-Fund. You should note that the value of Units and the income from them may fall as well as rise. You must carefully consider the risks factors set out in Paragraph 10 and in the annexes.

Some of the Sub-Funds may use or invest in financial derivative instruments for hedging, efficient portfolio management and/or optimising returns. Please refer to the annex of each Sub-Fund for details.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, to anyone to whom it is unlawful to make such an offer or solicitation or if made by a person not qualified to make the offer or solicitation.

UNITED STATES ("US") INVESTORS

The Units may only be purchased by non-US Persons (as defined below) that are not subject to US federal or state income taxation on their worldwide income, and are not "specified United States persons" under the tax laws of the United States. All investors that are not US Persons must be Non-US persons as defined in Rule 4.7 of the CFTC (as defined below) and Rule 902(k) of Regulation S under the Securities Act (as defined below), unless such requirement is waived by us in writing.

The Fund has not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") and an offering of the Units in the US (including the States, the District of Columbia, its territories, its possessions and any other areas subject to its jurisdiction) or to US Persons (as defined in Rule 902(k) of Regulation S under the Securities Act) may only be made to US Persons that qualify as Accredited Investors (as that term is defined in the Securities Act). In addition, unless waived by us, all investors that are US Persons must be "qualified purchasers" or "knowledgeable employees" within the meaning of the US Investment Company Act of 1940, as amended (the "**Investment Company Act**"), so that the Fund may qualify for an exemption from registration under Section 3(c)(7) of the Investment Company Act. If we choose to waive the requirement that each investor be a qualified purchaser or knowledgeable employee, the Fund will rely on the exemption from registration under Section 3(c)(1) of the Investment Company Act, which limits the number of US Persons (excluding knowledgeable employees) that may invest in the Fund to 100. We and the Fund have not been registered under the US Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). We reserve the right to reject any subscriptions of, and transfers of Units to, investment companies, nominees or other investors whose investment might otherwise jeopardise the Fund's exemption from registration under the Investment Company Act and the exemptions from registration under the Advisers Act and/or equivalent state laws and regulations for us and the Fund. We also reserve the right to reject any subscriptions from, and transfers of units to, pension funds or other investors whose investment might otherwise jeopardise the Fund's exemption from the definition of a "plan asset" under US Employee Retirement Income Security Act ("**ERISA**"). We reserve the right to require a Holder to surrender for realisation all or a portion of its Units in order to preserve the exemptions.

The Fund and we are not subject to the regulatory jurisdiction of the US Commodity Futures Trading Commission ("**CFTC**") as it relates to the registration and regulation of commodity pool operators ("**CPO**") and commodity trading advisors ("**CTA**") under the U.S. Commodity Exchange Act and related CFTC regulations. Therefore, neither the Fund nor we are registered with the CFTC as a CPO or CTA.

No general solicitation has been or will be conducted in the US and no offer, offering literature or advertising in whatever form has been or may be employed in the US for the offering of Units.

You must review this Prospectus carefully and consult your own tax adviser on tax and other matters relating to your investment.

If you believe that you will directly, or indirectly (by acting on behalf of one or more US Persons), jeopardise the reliance on any of the above US law exemptions, you must promptly identify yourself and indicate this to us.

TAX WITHHOLDING, REPORTING AND COMPULSORY REALISATION

The Fund may be required to perform due diligence on its Holders, report information on certain persons and withhold parts of certain payments to certain Holders as required by local laws, regulations or contractual obligations with other jurisdictions' tax authorities.

Singapore has signed a Model 1 intergovernmental agreement ("**IGA**") with the United States with respect to Foreign Account Tax Compliance Act ("**FATCA**") and the Fund is obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Singapore legislation implementing the IGA. The Fund will be required to identify whether you are "specified United States persons" under the tax laws of the United States or are non-U.S. entities with one or more specified

United States persons as “substantial United States owners” and may be required to report to the IRS or other relevant tax authorities the identity, value of holdings and payments made to such persons. For this purpose, a “specified United States person” generally will include, subject to certain exceptions, (i) an individual who is a citizen or resident of the United States, (ii) a partnership or corporation (including any entity or arrangement treated as a partnership or corporation for U.S. tax purposes, such as a limited liability company) organised in or under the laws of the United States, any state thereof or the District of Columbia, (iii) any estate the income of which is subject to U.S. tax regardless of its source, and (iv) any trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust. Non-U.S. persons may be obligated to provide information, certification or documents to establish that they are not specified United States persons.

The Fund may also be required to identify certain reportable persons under the Organisation for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (“**CRS**”). The CRS is a new global standard for the automatic exchange of financial information between tax authorities of signatory jurisdictions. Singapore is a signatory jurisdiction to the CRS which came into effect in Singapore from 1 January 2017.The CRS sets out the financial account information to be 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.

In order to satisfy applicable reporting requirements, the Fund may require you to provide information regarding tax status, identity or residency or other information, or to provide self-certifications or additional documents, as required by local laws, regulations or contractual obligations with other jurisdictions' tax authorities. You consent to provide any such information, self-certifications or document required by the Fund and agree to notify the Fund, the Trustee (as defined below) and us of any update to any information, certification or document previously provided.

The Fund will report personal and payment information of relevant Holders to the relevant tax authorities as required by applicable laws or regulations, or pursuant to contractual obligations with such tax authorities. You consent to the automatic disclosure of such information to the relevant tax authorities and to the extent reasonably necessary or advisable, to any other persons. You also irrevocably waive, to the extent possible, any applicable law or regulation that prevents any such disclosure.

The Fund reserves the right to realise such number of Units held by you as may be necessary to discharge any tax liability attributable to you. The Fund reserves the right to refuse to register a transfer of Units until it receives a declaration as to your residency or status in the form prescribed by the Fund or its appointed agent.

The Fund may compulsorily realise your Units if, in the sole discretion of the Fund, your ownership of Units may result in the Fund suffering some disadvantage or incurring any tax, licensing or registration liability in any jurisdiction that might not otherwise have been suffered or incurred (including where you are a specified United States person or are holding the Units for the account or benefit of a specified United States person or where information, self-certifications or documents as may be requested by the Fund pursuant to local laws, regulations or contractual obligations with a relevant tax authority, cannot be obtained from you, or you have refused to provide the same or you have withdrawn your consent for the Fund or its appointed agent to disclose personal and payment information to relevant tax authorities).

In this section, references to the “**Fund**” means the Trustee and/or us acting on behalf of the Fund.

PERSONAL DATA PROTECTION

Personal data or information provided by you to the Managers and/or the Trustee (whether directly or through appointed agents or distributors) in connection with the subscription for Units (the “**Data**”) may be held by us, the Trustee and/or their related corporations (as defined under Section 6 of the Companies Act, Chapter 50 of Singapore) (the “**Recipient**”) and/or any third party engaged by the Recipient to provide administrative, computer or other services. Each of them may collect, use, disclose, process and maintain such Data for the purposes which may include but are not limited to (i) maintaining the register of Holders, (ii) processing applications for subscriptions, realisations and switching of Units and payments to Holders, (iii) monitoring late trading and market timing practices, (iv) complying with applicable anti-money laundering rules and regulations, (v) complying with any legal, governmental or regulatory requirements of any relevant jurisdiction (including any disclosure or notification requirements), (vi) complying with the requirements or directions of any regulatory authority, (vii) providing client-related services, including customer support and dissemination of notices and reports, and (viii) such other purposes as set out in the Trustee's data protection and data privacy statement (as amended from time to time and available at http://www.hsbc.com.sg/privacy-statement/)**.** Subject to applicable laws and regulations, such Data may be transferred to other countries or territories outside Singapore. Such Data may be retained after your Units have been realised. You have the right to access and request the correction of your Data (if inaccurate or incomplete). Please contact us and/or the Trustee in writing if you wish to do so.

You may object to the collection, use, and disclosure of your Data. However, we are entitled to reject your application to subscribe for Units if you do so.

You may, after consenting to the collection, use and disclosure of your Data, withdraw your consent by giving notice in writing to us. Please note that by withdrawing your consent, you are deemed to have requested for the realisation of all your Units. Further, such withdrawal will not prevent the continued use or disclosure of Data for compliance with any legal, governmental or regulatory requirements of any relevant jurisdiction.

Please note that any objection or withdrawal of consent given to the appointed agents or distributors is **not** effective notice to us.

ENQUIRIES

Please direct your enquiries to us or the appointed agents or distributors.

FULLERTON FUND

DIRECTORY

Managers

Fullerton Fund Management Company Ltd.
(Unique Entity Number (“**UEN**”): 200312672W)
3 Fraser Street
#09-28 DUO Tower
Singapore 189352

Trustee

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#10-02 HSBC Building
Singapore 049320

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

Legal Advisers to the Managers

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

Legal Advisers to the Trustee

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

FULLERTON FUND

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FULLERTON FUND

1. Basic Information

1.1 Fullerton Fund

1.1.1 The Fund is a Singapore-constituted umbrella unit trust which offers a range of Sub-Funds into which you can select and allocate your investments. Each Sub-Fund is managed as a separate and distinct unit trust with its own portfolio of securities and obligations. Units in the following Sub-Funds are currently offered in this Prospectus:

Sub-Fund		**EIP[1] / SIP[2] Classification**
(i)	Fullerton Short Term Interest Rate Fund ("**FSTIR**")	SIP
(ii)	Fullerton SGD Cash Fund ("**FSCF**")	EIP
(iii)	Fullerton Asian Bond Fund ("**FABF**")	SIP
(iv)	Fullerton Singapore Bond Fund ("**FSBF**")	SIP
(v)	Fullerton SGD Income Fund ("**FSIF**")	SIP
(vi)	Fullerton Dynamic Strategies Fund – Aggressive ("**FDSA**")	SIP
(vii)	Fullerton Dynamic Strategies Fund – Balanced ("**FDSB**")	SIP
(viii)	Fullerton Asia Income Return ("**FAIR**")	SIP
(ix)	Fullerton USD Income Fund ("**FUSIF**")	SIP
(x)	Fullerton Premium Fund ("**FPF**")	SIP
(xi)	Fullerton SGD Heritage Growth ("**FSHG**")	SIP
(xii)	Fullerton SGD Heritage Balanced ("**FSHB**")	SIP
(xiii)	Fullerton SGD Heritage Income ("**FSHI**")	SIP
(xiv)	Fullerton USD Cash Fund ("**FUCF**")	EIP

We may establish new sub-funds from time to time.

1.1.2 We may establish different classes of Units in each Sub-Fund (each, a "**Class**" and collectively, the "**Classes**"). The assets of the Sub-Fund are not segregated in respect of each Class.

Differences between the Classes could include differences in the currency denomination, the current Management Fee and Performance Fee (if any), the Preliminary Charge, the Realisation Charge, the minimum initial subscription amount (the "**Minimum Initial Subscription**"), the minimum subsequent subscription amount (the "**Minimum Subsequent Subscription**") and/or the Minimum Holding (as defined in the Deed).

New Classes may be established and the Units in any existing Class may be re-designated so long as there is no prejudice to the existing holders of Units ("**Holders**") of such Class as a whole.

---

[1] "**EIP**" or "**Excluded Investment Products**" means prescribed capital markets products as specified in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018. For the purpose of classifying a Sub-Fund as an Excluded Investment Product under the Notice on the Sale of Investment Products, the Sub-Fund will be subject to certain provisions regarding its investments, including limits on the use of securities lending, repurchase and derivative transactions as described at Paragraph 8.
[2] "**SIP**" or "**Specified Investment Products**" means capital markets products other than prescribed capital markets products.

1.1.3 Please refer to the relevant annex to this Prospectus ("**Annex**") for details on each Sub-Fund and Class.

1.2 Investments in Underlying Funds

1.2.1 FABF, FAIR, FPF, FSHG, FSHB and FSHI (collectively, the "**feeding sub-funds**") may invest in the collective investment schemes described below (each, an "**Underlying Fund**" and collectively, the "**Underlying Funds**"):

(i) FABF invests all or substantially all of its assets in Fullerton Lux Funds - Asian Bonds.

(ii) FAIR and FPF may invest up to 30% or more of their respective Net Asset Values (as defined in the Deed) into any of the following funds:

(a) Fullerton Lux Funds – Asia Growth & Income Equities;

(b) Fullerton Lux Funds – Asia Focus Equities;

(c) Fullerton Lux Funds – Asia Absolute Alpha;

(d) Fullerton Lux Funds – Asian Bonds; and

(e) FSCF.

(iii) FSHG, FSHB and FSHI may invest up to 30% or more of their respective Net Asset Values into any of the following funds:

(a) Fullerton Lux Funds - Asia Growth & Income Equities;

(b) Fullerton Lux Funds - Asia Focus Equities;

(c) Fullerton Lux Funds - Asia Absolute Alpha;

(d) Fullerton Lux Funds - Asian High Yield Bonds;

(e) Fullerton Lux Funds - Asian Bonds;

(f) Fullerton Lux Funds - Asian Short Duration Bonds;

(g) FSTIR;

(h) FSCF;

(i) FSIF; and

(j) FUSIF.

Save for FABF, the feeding sub-funds may invest up to 30% or more of their respective Net Asset Values into any other collective investment scheme, as notified by us from time to time. The feeding sub-funds may also invest less than 30% of their respective Net Asset Values into any other collective investment schemes not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fund. The other Underlying Funds are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as a "**Fullerton Lux Sub-Fund**" and collectively, the "**Fullerton Lux Sub-Funds**".

1.2.2 Fullerton Lux Funds is an open-ended investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* ("**SICAV**") under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "**2010 Law**").

1.2.3 **Financial derivative instruments ("FDIs") may be used for efficient portfolio management, hedging purposes or as part of the investment strategy of the Fullerton Lux Sub-Funds.**

1.2.4 Please refer to Paragraph 8.3 and the respective Annexes for the feeding sub-funds for information on their Underlying Funds (including information on their managers, their use of FDIs, risk management approaches and specific risks).

1.2.5 The other Sub-Funds may invest in other collective investment schemes from time to time. If such investments are substantial (i.e. amount to 30% or more of the Net Asset Value of the Sub-Fund), the Annex for that Sub-Fund will set out information on the underlying schemes.

1.3 Trust Deed and supplemental deeds

1.3.1 The Fund is constituted by way of a deed of trust dated 15 March 2004 (the "**Principal Deed**"), which has been amended by the following supplemental deeds:

Date	Supplemental Deed
1 September 2004	First Amending and Restating Deed
11 March 2005	Second Amending and Restating Deed
28 March 2006	Third Amending and Restating Deed
28 March 2007	Fourth Amending and Restating Deed
17 September 2007	Fifth Amending and Restating Deed
29 April 2008	Sixth Amending and Restating Deed
16 September 2008	Seventh Amending and Restating Deed
14 January 2009	Eighth Amending and Restating Deed
14 April 2009	Ninth Amending and Restating Deed
1 June 2009	Tenth Amending and Restating Deed
31 July 2009	Eleventh Amending and Restating Deed
28 September 2009	Twelfth Amending and Restating Deed
1 April 2010	Thirteenth Amending and Restating Deed
27 May 2011	Fourteenth Amending and Restating Deed
20 July 2011	Fifteenth Amending and Restating Deed
28 September 2011	Sixteenth Amending and Restating Deed
11 November 2011	Seventeenth Amending and Restating Deed
11 April 2012	Eighteenth Amending and Restating Deed
11 May 2012	Nineteenth Amending and Restating Deed
26 February 2013	Twentieth Amending and Restating Deed
19 March 2013	Twenty-First Amending and Restating Deed
9 April 2014	Twenty-Second Amending and Restating Deed
18 March 2015	Twenty-Third Amending and Restating Deed
19 June 2015	Twenty-Fourth Amending and Restating Deed
25 September 2015	Twenty-Fifth Amending and Restating Deed
4 March 2016	Twenty-Sixth Amending and Restating Deed
2 September 2016	Twenty-Seventh Amending and Restating Deed
16 November 2017	Twenty-Eighth Amending and Restating Deed
19 February 2018	Twenty-Ninth Amending and Restating Deed
7 March 2019	Thirtieth Amending and Restating Deed
11 June 2019	Thirty-First Amending and Restating Deed
12 November 2019	Thirty-Second Amending and Restating Deed

The Principal Deed, as amended by the supplemental deeds, is referred to as the "**Deed**".

1.3.2 The terms and conditions of the Deed are binding on you and on persons claiming through you.

1.3.3 You may inspect a copy of the Principal Deed and the supplemental deeds for free during usual business hours at our office, and obtain a copy at S$20 per copy of each document (or such other amount as we and the Trustee may agree).

2. The Managers

2.1 We, Fullerton Fund Management Company Ltd., are the Managers of the Sub-Funds. We are regulated by the Authority and licensed under the SFA to carry out fund management activities and to deal in capital markets products that are units in a collective investment scheme. We have been managing collective investment schemes and discretionary funds since 2004.

2.2 We are an Asia-based investment specialist, with capabilities that span equities, fixed income, multi-asset and alternatives, including private equity. Prior to our establishment, our investment team operated as the internal fund management division within Temasek Holdings (Private) Limited ("**Temasek**"), a global investment company headquartered in Singapore. We were incorporated in Singapore in 2003 and are a subsidiary of Temasek. NTUC Income, a leading Singapore insurer, became our minority shareholder in 2018. Fullerton provides investment solutions for institutions such as government agencies, pension plans, insurance companies, endowments and sovereign wealth, as well as for private wealth and the retail segment. With 15 years of experience in Asian financial markets, we build on our heritage to provide clients with investment solutions that are long term, research-based and conviction-led. Headquartered in Singapore, Fullerton also has associated offices in Shanghai, London, Tokyo and Brunei.

2.3 Details on the managers of the Fullerton Lux Sub-Funds, and the managers of any collective investment scheme which a Sub-Fund invests substantially in are set out in the relevant Annex.

2.4 Please refer to the Deed for details on our role and responsibilities. **Please also note that our track record (including those of our directors and key executives described below) is not indicative of future performance.**

2.5 Our directors are:

<u>Mr Ho Tian Yee, Chairman</u>

Mr Ho is the Chairman of the Board of Fullerton Fund Management Company Ltd. He has over 30 years' experience in managing and investing in global financial markets.

Mr Ho started his career with Bankers Trust Company, where his last position was Managing Director and Regional Head of South East Asia. He was responsible for the management of the Singapore branch and the strategic direction of the bank's global trading in Asia.

Currently, Mr Ho serves as Chairman of Mount Alvernia Hospital and FFMC Holdings Pte. Ltd. He is also an independent director at DBS Group Holdings Ltd and DBS Bank Ltd. He holds a degree in Economics from Portsmouth University (Hons), United Kingdom, and a Master of Business Administration from the University of Chicago.

<u>Mr Nels Radley Friets</u>

Mr Friets retired from Singapore Exchange Limited where he was Head of Securities and then an Advisor. He was formerly the Managing Director & Head of Equities (ASEAN) with Citigroup Global Markets, where he had responsibilities for all cash, derivatives, equity capital markets and prime brokerage activities in the ASEAN countries. He was earlier with CLSA, where his last role was Managing Director, Singapore/Malaysia. Prior to CLSA, he spent 11 years as a management consultant.

He is currently Director and Executive Chairman of tryb Pte. Ltd. and Partner of tryb Partners LLP. He is also a co-opted member of the Finance Committee of Singapore University of Technology and Design (SUTD), and holds directorships in several companies.

He holds a Bachelor of Science degree in Applied Mathematics from Yale University, USA. He has been a Singapore permanent resident since 1989.

Mr Phoon Siew Heng

Mr Phoon is the Executive Director & CEO of Seatown Holdings. He was formerly Senior Managing Director, Head of Strategy at Temasek Holdings. Prior to joining Temasek in 1999, he was with Standard Chartered Merchant Bank Asia Limited ("**SCMBA**"). In his 8 years with SCMBA, he managed several initial public offerings, public takeovers, mergers & acquisitions and corporate restructurings. From 1988 to 1992, Mr Phoon was a Deputy Director in the Ministry of Finance of Singapore, where he was responsible for the formulation of corporate and international tax policies.

He holds a Bachelor of Economics (Honors) degree from Monash University, Australia.

Mr Lester Edward Gray

Mr Gray retired from Schroders, an international asset management group, in 2013 after working for 26 years in several senior roles based in London, New York and Singapore. From 2004, he was CEO and from 2012, Chairman of Schroders Asia Pacific business, which has operations in 9 countries across the region.

In addition to his executive roles, Mr Gray was Chairman of the Investment Management Association of Singapore from 2006 to 2013. Mr Gray serves as a non-executive director and adviser to several private investment companies in New Zealand and in Asia.

He holds a New Zealand Certificate of Engineering from the Waikato Institute of Technology and Authority of Advanced Vocational Awards, New Zealand.

Ms Jenny Sofian

Ms Sofian is the Chief Executive Officer (CEO) of Fullerton Fund Management Company Ltd.

Prior to joining the Managers in 2017, Ms Sofian spent more than 20 years at Amundi Singapore. She was appointed the CEO and Head of South Asia in November 2009, responsible for their Southeast Asian and Australian operations. She also served as the Regional Director of Southeast Asia at the Group Level Executive Committee. Ms Sofian joined Amundi in 1996, to manage Asian equity portfolios. She was later appointed Head of Research for Asia and in 1999, promoted to Managing Director. Earlier in her career, she managed various insurance funds for the Insurance Corporation of Singapore, and was responsible for asset allocation as well as investment across asset classes.

Ms Sofian graduated from San Diego University with a BS in Business Administration degree (major in Finance) Summa Cum Laude. Ms Sofian is actively involved in a number of industry bodies that are working to positively influence the asset management industry. She is a member of the Monetary Authority of Singapore's Financial Centre Advisory Panel, and serves on the Executive Committee of the Investment Management Association of Singapore. Ms Sofian is a member of the Institute of Banking and Finance's Fund Management Working Group, and a board member of the Finance Accreditation Agency in Malaysia.

Mr Kee Teck Koon

Mr Kee is the Deputy Chairman of NTUC Income and a member of the Investment, Nominating and Human Resource & Remuneration Committees.

Mr Kee started his career in 1979 with the Singapore Armed Forces and was with the Ministry of Defence until 1991. Thereafter he held senior management appointments with several organisations before joining the Capitaland Group in 2003. After holding several senior positions, he retired as the Chief Investment Officer of CapitaLand Limited in July 2009.

Mr Kee is currently Non-Executive Chairman of Changi Airports International Pte Ltd, and Executive Director of NTUC Enterprise Co-operative Limited. He holds directorships in Raffles Medical Group Ltd and Capitaland Limited, among others. He is also a Governor of the Lien Foundation.

Mr Kee holds a Master of Arts from Oxford University.

<u>Ms Pang Wai Yin</u>

Ms Pang sits on the Board of Directors of NTUC Income. She is the Chairperson of the Audit Committee and a member of the Risk Management Committee.

Ms Pang's prior experience included 6 years of external audit work in a public accounting firm, and 17 years spent in various risk management roles in GIC Pte Ltd. She retired from GIC on 1 July 2014 as Managing Director and Director of the Risk & Performance Management Department. She has extensive experience in formulating risk governance framework and risk management policies as well as implementing risk management systems, processes and a sound internal control environment.

Ms Pang is currently an independent director of Avanda Asia Vantage Fund and Avanda Asia Vantage Master Fund.

Ms Pang holds a degree in Accountancy from the National University of Singapore and a Masters in Applied Finance from Macquarie University. She is a member of the Institute of Singapore Chartered Accountants.

<u>Ms Jeanette Wong Kai Yuan</u>

Ms Wong was previously the Group Executive of Institutional Banking Group at DBS. Prior to that, she was the Chief Financial Officer of DBS Group between 2003 to 2008.

Before joining DBS Bank, Ms Wong was at JP Morgan for 16 years. During her tenure at JP Morgan, she had regional responsibilities for the Global Markets and Emerging Markets Sales and Trading business in Asia and was JP Morgan’s head for Singapore from 1997 to 2002. Ms Wong’s career began in 1982 at Banque Paribas and then Citibank from 1984 to 1986 before joining JP Morgan in 1986.

Ms Wong sits on the Boards of USB Group AG, Essilor International (France), Jurong Town Corporation and PSA International. Ms Wong is also a member of the NUS Business School Management Advisory Board and a member of the Global Advisory Board, Asia, for the University of Chicago Booth School of Business. Additionally, she is a member of the Securities Industry Council.

Ms Wong graduated from National University of Singapore with a BBA degree and holds a MBA degree from the University of Chicago.

2.6 Our key executives are:

<u>Ms Jenny Sofian</u>

Ms Sofian's details are set out in Paragraph 2.5 above.

<u>Mr Patrick Yeo, CFA</u>

Mr Yeo is our Chief Investment Officer (“**CIO**”) and has investment oversight across all our investment strategies and products. As CIO, he chairs our Investment Committee, which comprises the CIO and the respective Heads of Asset Teams. The Investment Committee plays an integral role in formulating our top-down macro views and medium-term investment strategy.

Mr Yeo joined us in 2005. He previously worked with OCBC Asset Management, Rothschild Asset Management, Hongkong & Shanghai Banking Corporation and the Government of Singapore Investment Corporation.

Mr Yeo graduated from the Victoria University of Wellington with a First Class Honours Degree in Commerce and Administration (Economics) in 1989. Mr Yeo is a CFA charterholder since 1993. He was conferred the IBF Fellow award by the Institute of Banking and Finance in 2017.

Mr Ken Goh, CFA

Mr Goh is our Head of Equities, and is responsible for leading the Equities team and overseeing all equity strategies.

Mr Goh joined us in 2017. He was previously the Managing Director/Chief Executive Officer of CIMB Principal Asset Management's Singapore office. He was concurrently the Regional CIO (Singapore, Malaysia, Thailand and Indonesia) and Regional Head of Equities. Before he joined CIMB Principal in 2007, he held various senior positions in APS Asset Management, MeesPierson Private Bank, Allianz Dresdner Asset Management and Philip Capital Management. Earlier in his career, he worked at the Government of Singapore Investment Corporation.

Mr Goh graduated from the National University of Singapore with a First Class Honours degree in Business Administration. He is also a CFA charterholder.

Mr Vincent Chan, CFA

Mr Chan is our Head of the Multi-Asset team. He is responsible for leading our efforts in Multi-Asset investment strategies.

Mr Chan joined us in 2017. He was previously the Asia Head of Multi-Asset Products at Schroders Investment Management since 2016, where he provided customised multi-asset solutions to clients in Asia. Before that, Mr Chan was with NTUC Income since 2013, where he managed the Asset Allocation and External Fund Managers teams. Earlier in his career, Mr Chan was with the Government of Singapore Investment Corporation since 1988. He held various key responsibilities over the years, across departments such as Investment policy, Economics and Capital Market research, External Fund Manager, as well as Fixed Income.

Mr Chan graduated from the National University of Singapore with an Honours degree in Business Administration. He is also a CFA charterholder.

Ms Ong Guat Cheng, CFA

Ms Ong is our Head of Fixed Income. She is responsible for managing the team and overseeing all fixed income strategies.

Ms Ong joined us in 2003. She was previously a management consultant with McKinsey & Co (New York & Beijing). She worked with several financial institutions in the US and China, on business strategy, organisation restructuring as well as operations issues. Prior to that, she worked as an Asian Markets Research strategist in JP Morgan (Singapore), formulating local Asian currency and interest rate views, as well as trading strategy recommendations.

Ms Ong is a CFA charterholder. She received her MBA from Columbia Business School, and graduated from the Nanyang Technological University with a First Class Honours Degree in Business (Financial Analysis).

Mr Darren Tay

Mr Tay is our Head of Treasury Management, and is responsible for Portfolio Management in Treasury products and liquidity management. He also oversees trade implementations in Equities, Exchange Traded Funds (ETFs), Global Emerging Markets (GEM), listed Derivatives, Fixed Income, Fixed Deposits, Spot & Forward Foreign Exchanges (FX/FFXs), FX Overlays, and Private Equity initiatives. He is also involved in our group’s strategic initiatives, relating to systems, broker management, and business development.

Mr Tay joined us in 2007 and has over 20 years of working experience in the fund management industry. Prior to Fullerton, he was involved in various facets within the asset management division of the Deutsche Bank Group, namely, Morgan Grenfell and then, Deutsche Asset

Management. He started his working career as a Management Trainee, and held supervisory responsibilities in the Transaction Support Team and the Valuation Reporting Team. In 1999, he joined the investment department and held numerous responsibilities in teams involving Equity Trading, Asset Allocation, Currency Overlay and Risk Management. He was the Head of Asian Trading in 2006 and managed 5 teams in the region.

Mr Tay is a CPA holder of the Australia Society of Certified Practicing Accountants (ASCPA). He graduated with a Bachelor of Commerce, majoring in Accounting and Finance, from the Murdoch University (Australia). He was awarded a corporate scholarship in 2005 and pursued his Masters of Science in Wealth Management with the Singapore Management University. In 2010, he also received a Masters of Advanced Business Practice from the University of South Australia. He currently serves on committees of Asian financial exchanges.

2.7 We have delegated the accounting and valuation functions of the Sub-Funds to the Trustee.

2.8 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, the Trustee may by notice in writing remove us as Managers and appoint some other corporation as manager of the Fund and/or terminate the Fund in accordance with the Deed.

3. The Trustee and Custodian

3.1 The Trustee

The Trustee is HSBC Institutional Trust Services (Singapore) Limited, and it is regulated in Singapore by the Authority. Please refer to the Deed for details on the Trustee's role and responsibilities.

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, we may by notice in writing remove the Trustee and appoint another person as the new trustee of the Fund in accordance with the Deed.

3.2 The Custodian

The Trustee has appointed The Hongkong and Shanghai Banking Corporation Limited (the "**Custodian**") as the global custodian to provide custodial services to the Sub-Funds globally. The Custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian's duties in specific jurisdictions where the Sub-Funds invest.

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 will act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians.

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

4. The Registers of Holders

The registrar is the Trustee and the registers of Holders of the Sub-Funds (the "**Registers**") are kept and maintained at 20 Pasir Panjang Road (East Lobby), #12-21 Mapletree Business City, Singapore 117439. You may access the Registers during normal business hours.

The Registers show conclusively the number and details of the Units you hold. Their entries will prevail over any discrepancies in the statement of holding unless you prove otherwise to the satisfaction of the Trustee and us.

5. The Auditors

The auditors of the accounts for the Fund are PricewaterhouseCoopers LLP (the "**Auditors**").

6. Investment Objective, Focus and Approach

The investment objective, focus, approach and other features specific to each Sub-Fund are set out in the Annexes.

7. Inclusion under the Central Provident Fund Investment Scheme

The Sub-Funds are not included under the Central Provident Fund Investment Scheme.

8. Authorised Investments of the Fund

8.1 Subject to compliance with its respective investment objectives and (as set out in Paragraph 20.4) investment guidelines, each Sub-Fund may invest in the following investments ("**Authorised Investments**"):

8.1.1 any Quoted Investment[3];

8.1.2 any Unquoted Investment[4];

8.1.3 any Investment[5] which is a futures, option, forward, swap, collar, floor or other derivative; and

8.1.4 any other Investment not covered above but approved by the Trustee.

8.2 Use of FDIs by the Sub-Funds

8.2.1 The Sub-Funds that use or invest in FDIs will be subject to risks associated with such investments. Therefore, it is essential that investments in FDIs are monitored closely. We have the necessary expertise to control and manage such risks. We will ensure that

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[3] "**Quoted Investment**" means any Investment (as defined in footnote 5) which is quoted or listed or in respect of which permission to deal is effective on any Recognised Stock Exchange (as defined in footnote 10) or OTC Market (as defined in footnote 11).

[4] "**Unquoted Investment**" means any Investment (as defined in footnote 5) which is not quoted, listed or dealt in on any Recognised Stock Exchange (as defined in footnote 10) or OTC Market (as defined in footnote 11).

[5] "**Investment**" means any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, discount bond, note, discount note, exchange fund note, debenture, debenture stock, banker's acceptance, debt security, loan, loan convertible into security, loan stock, warrant, options, certificates of deposit, currency deposits, commercial paper, promissory note, unit or sub-unit in any unit trust scheme, participation in a mutual fund, other interests in collective investment schemes, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any hedge fund, treasury bill, fixed or floating rate debt instrument, futures, forward, swap, floor, collar, index and forward currency exchange contract or other derivative or financial transaction or instrument or any other security which may be selected by us for the purpose of investment of the Deposited Property (see footnote 13 for the definition) of any Sub-Fund or which may for the time being form part thereof.

our risk management and compliance procedures and controls are adequate, and have been or will be implemented.

8.2.2 The global exposure of each Sub-Fund to FDIs or embedded FDIs will not exceed 100% of the Net Asset Value of that Sub-Fund at any time. We will apply a commitment approach to determine the exposure by converting the positions in FDIs into equivalent positions in the underlying assets.

8.2.3 We will attempt to minimise the risks of using FDIs through the careful selection of reputable counterparties and constant monitoring of each Sub-Fund's derivative position. Such counterparties will have a credit rating of at least A3 by Moody's or A- by Standard and Poor's (or their equivalents) and will be subject to such other selection criteria as we may determine.

8.2.4 A Sub-Fund may net its over-the-counter ("**OTC**") financial derivative positions with a counterparty through a bilateral agreement with the counterparty if such netting arrangements satisfy the conditions described in the Code on Collective Investment Schemes issued by the Authority (the "**Code**"). In addition, we will put in place operating procedures to ensure the legal validity of netting arrangements due to changes in the law.

8.2.5 Where a Sub-Fund uses or invests in FDIs on commodities, such transactions shall be settled in cash at all times.

8.2.6 A Sub-Fund which is an EIP will be subject to limits on the use of FDIs as set out in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.

8.2.7 Please refer to the Annexes for details on a Sub-Fund's use of FDIs.

8.3 Use of FDIs by the Fullerton Lux Sub-Funds

8.3.1 Within the limits of the 2010 Law, the Fullerton Lux Sub-Funds may use FDIs. The FDIs used may include, but are not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes. Each of these investments carries its own specific risks and may increase the volatility of the Fullerton Lux Sub-Funds.

8.3.2 For the purpose of classifying Fullerton Lux Funds – Asia Growth & Income Equities, Fullerton Lux Funds – Asia Focus Equities, as Excluded Investment Products, these Fullerton Lux Sub-Funds are subject to limits on the use of FDIs as set out in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.

8.3.3 The Fullerton Lux Funds will ensure that the global exposure of each Fullerton Lux Sub-Fund relating to FDIs does not exceed the total net assets of the Fullerton Lux Sub-Fund. The global exposure to FDIs is calculated using the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

8.3.4 Each Fullerton Lux Sub-Fund may invest in FDIs within the limits laid down in Section 1(A)(vi) and Section 1(C)(v) stated in the table below (extracted from the latest Luxembourg Prospectus for Fullerton Lux Funds dated June 2019). The exposure to the underlying assets must not exceed in aggregate the investment limits laid down in Sections 1(C)(i) to (vii). When a Fullerton Lux Sub-Fund invests in index-based FDIs compliant with the provisions of Sections 1(C)(i) to (vii), these investments need not be combined with the limits laid down in Section 1(C). When a transferable security or money market instrument embeds a FDI, the FDI must be taken into account when complying with the requirements of these instrument restrictions.

Certain investment limits for Fullerton Lux Funds

Section 1(A)(vi)

The Fullerton Lux Funds will invest in FDIs, including equivalent cash-settled instruments, dealt in on a Regulated Market[6] and/or FDIs dealt in over-the-counter ("**OTC derivatives**"), provided that:

- the underlying consists of securities covered by this Section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which a Fullerton Lux Sub-Fund may invest according to its investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of Fullerton Lux Funds.

Section 1(C)

(i) Each Fullerton Lux Sub-Fund may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivative instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities). Each Fullerton Lux Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Fullerton Lux Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution which has its registered office in a country which is a Member State (as defined in the 2010 Law) or, if the registered office of the credit institution is situated in a third country, it is subject to prudential rules considered by the *Commission de Surveillance du Secteur Financier* as equivalent to those laid down in European Union Law, or 5% of its net assets in other cases.

(ii) Further, where a Fullerton Lux Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of the Fullerton Lux Sub-Fund, the total value of all such investments must not account for more than 40% of the net asset value of the Fullerton Lux Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(i), a Fullerton Lux Sub-Fund may not combine:

[6] "**Regulated Market**" means a regulated market as defined in Directive 2014/65/EU on markets in financial instruments and Regulation EU 600/2014 on markets in financial instruments and any European Union or Luxembourg implementing laws and regulations ("**MiFID**"), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by MiFID and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State. "**Eligible State**" includes any Member State, any member state of the Organisation for Economic Co-operation and Development ("**OECD**"), and any other state which the directors of Fullerton Lux Funds deem appropriate with regard to the investment objective of the relevant Fullerton Lux Sub-Fund.

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

(iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by an Eligible State or by public international bodies of which one or more Member States are members.

(iv) The limit of 10% laid down in paragraph (C)(i) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in a Member State and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Fullerton Lux Sub-Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Fullerton Lux Sub-Fund.

(v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or financial derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) may not, in any event, exceed a total of 35% of the relevant Fullerton Lux Sub-Fund's net asset value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

Each Fullerton Lux Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(vi) Without prejudice to other limits imposed on a Fullerton Lux Sub-Fund, the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of the Fullerton Lux Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, provided

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

(vii) Where a Fullerton Lux Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by another member state of the OECD, Singapore or any member state of the Group of Twenty[7], or by public international bodies of which one or more Member States are members, the Fullerton Lux Funds may invest 100% of the net asset value of the Fullerton Lux Sub-Fund in such securities provided that the Fullerton Lux Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Fullerton Lux Sub-Fund.

Subject to having due regard to the principle of risk spreading, a Fullerton Lux Sub-Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

8.3.5 The use of these instruments and techniques will not cause a Fullerton Lux Sub-Fund to diverge from its investment policy or objective. A Fullerton Lux Sub-Fund could hedge against risks such as market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

8.3.6 The Fullerton Lux Funds will employ a risk management process which enables it with the investment manager of the Fullerton Lux Sub-Funds to monitor and measure the risk of the positions and their contribution to the overall risk profile of the relevant Fullerton Lux Sub-Fund. The Fullerton Lux Funds or the investment manager of the Fullerton Lux Sub-Funds will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

8.3.7 You may request for supplementary information on the risk management methods of the Fullerton Lux Sub-Funds (including the quantitative limits applied to each Fullerton Lux Sub-Fund, the methods chosen to this end and the recent evolution of the risks and yields of the main categories of instruments) and the risk management framework from us.

8.3.8 Please refer to the respective Annexes for FABF, FAIR, FPF, FSHG, FSHB and FSHI for details on the use of FDIs by their Underlying Fund(s) (including the method of calculating the global exposure, and any increase in volatility and risks).

8.4 Securities lending and repurchase transactions

[7] "**Group of Twenty**" means the informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union ("**EU**").

In relation to FUCF, we may enter into repurchase transactions for efficient portfolio management. We currently do not enter into repurchase transactions for the other Sub-Funds but may do so in the future.

Currently, we do not enter into securities lending transactions for any of the Sub-Funds but may do so in the future.

The Sub-Funds entering into securities lending and repurchase transactions may become subject to additional requirements in the Code, and we may lend the securities to our related corporations and/or any third party. We will ensure that the securities lending transactions will be carried out at an arm's length basis to mitigate any potential conflict of interest.

A Sub-Fund which is an EIP will be subject to limits on the use of securities lending and repurchase transactions as set out in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.

Subject to regulatory requirements and the Trustee's concurrence, we may enter into revenue sharing arrangements with each Sub-Fund such that some of the income from securities lending activities may also accrue to us.

Risks relating to securities lending or repurchase transactions

Securities lending or repurchase transactions involve the following risks:

8.4.1 **Liquidity risk** – If a counterparty cannot settle an obligation for the full value when it is due, the Sub-Fund's ability to meet its realisation obligations and other payment commitments may be affected.

8.4.2 **Counterparty/credit risk** – This risk occurs if a counterparty defaults on its obligations by becoming insolvent or is otherwise unable to complete a transaction.

8.4.3 **Sufficiency of collateral risk** – Following a counterparty's default, the Sub-Fund can sell its collateral in the market to raise funds to replace the lent securities. However, the Sub-Fund will suffer a loss if the realised value of the collateral securities is less than the lent securities due to inaccurate pricing of the collateral, market movements or other causes.

8.4.4 **Collateral investment risk** – The value of the securities in which the cash collateral is invested may decline due to fluctuations in interest rates or other market-related events.

8.4.5 **Delivery risk** – This risk occurs when (i) securities are lent but collateral is not received at the same time or prior to the loan, or (ii) collateral is returned but the loan is not received.

8.4.6 **Operational risk** – This is the risk of the custodian or lending agent not administering the transaction as agreed. This includes the failure to mark to market collateralisation levels, call for additional margin, or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

8.5 Risk management process

8.5.1 We will calculate the global exposure of each Sub-Fund in accordance with the Code, as the sum of:

(i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;

(ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and

(iii) the sum of the values of cash collateral received pursuant to:

- the reduction of exposure to counterparties of OTC financial derivatives; and

- efficient portfolio management techniques relating to securities lending and repurchase transactions,

and that are reinvested.

8.5.2 We believe that risk management and performance analysis are integral to the investment process. We will employ a risk management process which enables us to monitor and measure at appropriate time intervals, the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. We will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

8.5.3 We have dedicated risk and compliance teams which independently monitor the portfolio's risks through various tools as certain changes in the market environment may affect their value and importance. Portfolio risks are controlled to ensure that the relationship between risk and return is in line with each Sub-Fund's investment objective and strategy.

9. Fees and Charges

Please refer to the Annexes for the fees and charges of each Sub-Fund. Please note that there may be other fees, charges and expenses (each of which we currently do not expect to exceed 0.1% of the Net Asset Value of each Sub-Fund) charged to the Sub-Funds that are not stated in the Annexes. Please refer to the Deed for details of the fees, charges and expenses (including definitions and the methods of computation).

Please note that the appointed agent or distributor through whom you subscribe for Units is required to disclose to you the amount of trailer fee it receives from us. The range of trailer fees payable to the appointed agents and distributors for each Sub-Fund is set out in the Annexes. You should also note that the agents and distributors 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 your agent or distributor on such fees and charges, if any.

10. Risks

10.1 General risks associated with investments in the Sub-Funds

10.1.1 You should consider the risks of investing in the Sub-Funds, including market risk, currency risk, credit risk, interest rate risk and liquidity risk. The risks described below and in the Annexes are not exhaustive and there may be additional risks we presently do not know or are currently considered immaterial.

10.1.2 An investment in a Sub-Fund is meant to produce returns by capital appreciation over the medium-term to long-term. You should not expect short-term gains.

10.1.3 The value of Units and the income accruing to them may fall or rise. You may not get back your original investment.

10.1.4 The Sub-Funds are not listed and there is no secondary market for the Units. You may realise your Units on Dealing Days only.

10.1.5 Your investment may be adversely affected by political instability, exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by the authorities in the relevant countries. The value of the underlying assets of a Sub-Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Further, the legal infrastructure and accounting, auditing and reporting standards in certain countries may not provide the same degree of investor protection or disclosure as would generally apply in major securities markets.

10.1.6 Credit ratings represent the rating agencies' and/or our opinions regarding the credit quality of the institutions or the instruments invested into by a Sub-Fund. They are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not predict future trends. It may take time for credit ratings to be adjusted in response to change of circumstances. Where we rely on ratings issued by credit rating agencies, we have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the Sub-Fund's investments are in line with these standards. Information on our credit assessment process will be made available to investors upon request and subject to such conditions as we may impose.

10.1.7 We may rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodologies, due diligence and timely response to changing conditions, and we have no control over or responsibility for failures in such valuations.

10.1.8 Institutional investors may hold substantial holdings in the Sub-Fund. Although they will not have control over our investment decisions, their actions may have a material effect on the Sub-Fund. For example, the Sub-Fund may have to liquidate assets at a time and in a way that is not the most economically advantageous in order to meet substantial realisations of Units by an institutional investor over a short time. This could adversely affect the value of the Sub-Fund's assets.

10.1.9 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 Sub-Funds 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 Sub-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 a Sub-Fund to dispose of assets at reduced prices, thereby adversely affecting that Sub-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 Sub-Fund incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Further, in a market downturn, the Sub-Fund's counterparties' financial conditions could be weakened, thereby increasing the Sub-Fund's credit risk exposure to them.

10.1.10 For Classes of Units which are not denominated in Singapore Dollars, we may adopt an active currency management approach (i.e. the application of a hedge by reference to the foreign currency exposure of the relevant Class). You may be exposed to exchange rate risks for such Units as we may not fully hedge the foreign currency exposure.

10.1.11 The assets and liabilities of each Sub-Fund will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Fund, and the Deed provides that the assets of each Sub-Fund should be segregated from each other Sub-Fund. Generally, under Singapore law, the assets of a Sub-Fund should not be available to meet the liabilities of another Sub-Fund. However, as the Sub-Funds may operate and have assets held or be subject to claims in other jurisdictions, which may not recognise such segregation. In such circumstances, the assets of a Sub-Fund may be used to satisfy the liabilities of any other Sub-Fund. There is no guarantee that the courts of any jurisdiction outside of Singapore will respect the limitations on liability and that the assets of any particular Sub-Fund will not be used to satisfy the liabilities of any other Sub-Fund.

Any financial instruments used to implement hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, there may be a possibility that hedging transactions in relation to a specific Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Sub-Fund.

10.1.12 We conduct transactions through or with brokers, clearing houses, market counterparties and other agents. The assets of the Sub-Funds are held by the Custodian and/or the sub-custodians appointed in various jurisdictions. The Sub-Funds will be subject to the risk of the inability of any such counterparty or custodian to perform its obligations, whether due to insolvency, bankruptcy or other causes. A Sub-Fund may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment. Such instruments are issued by a range of counterparties and through its investment, the Sub-Fund will be exposed to the counterparty (or credit) risk of the issuer, in addition to the investment exposure it seeks.

10.1.13 A Sub-Fund may make distributions to Holders out of its income and/or (if income is insufficient) out of its capital. Any distributions made (whether out of income and/or capital) may cause the Net Asset Value of the Sub-Fund to fall. Further, distributions out of the capital may amount to a partial return of your original investment and may result in reduced future returns for you. Please note that if distributions are made, such distributions are not a forecast, indication or projection of the future performance of the Sub-Fund. Unless otherwise stated in the relevant Annex, distributions are at our discretion and are not guaranteed, and the making of any distribution does not imply that further distributions will be made and we reserve the right to vary the frequency and/or amount of distributions (if at all).

10.1.14 A Sub-Fund may invest and have direct access to certain eligible China "A" Shares (as defined below) via the Stock Connects (as defined below).

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), Shanghai Stock Exchange ("**SSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links programme developed by HKEx, Shenzhen Stock Exchange ("**SZSE**") and ChinaClear (the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect and any other similar programme(s) which may be introduced from time to time, being collectively referred to as the "**Stock Connects**"). The aim of the Stock Connects is to achieve mutual stock market access between the People's Republic of China (excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) ("**PRC**" or "**China**") and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("**SEHK**"), may be able to trade eligible China "A" Shares listed on SSE by routing orders to SSE.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China "A" Shares listed on the SZSE by routing orders to SZSE.

"A" Shares are shares issued by PRC companies, denominated in RMB (CNY) and traded on the PRC Stock Exchanges. "PRC Stock Exchanges" means SSE, SZSE and any other stock exchange that may open in the PRC in the future.

Eligible Securities

(i) *Shanghai-Hong Kong Stock Connect*

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Sub-Fund) are able to trade selective stocks listed on the SSE market (i.e. "**SSE Securities**"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China "A" Shares that are not included as constituent stocks of the relevant indices but which have corresponding "H" shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert".

(ii) *Shenzhen-Hong Kong Stock Connect*

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Sub-Fund) are able to trade selective stocks listed on the SZSE market (i.e. "**SZSE Securities**"). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China "A" Shares which have corresponding "H" shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert" or under delisting arrangement.

It is expected that both lists of SSE Securities and SZSE Securities will be subject to review and approval by the relevant regulatory bodies from time to time.

Further information about the Stock Connects is available online at the website: http://www.hkex.com.hk/mutualmarket.

Risks associated with the Stock Connects

(i) *Quota limitations risk*

The Stock Connects are subject to quota limitations. Trading under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be subject to a daily quota respectively ("**Daily Quota**"). The Daily Quota will apply on a "net buy" basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in China "A" Shares through the Stock Connects on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

(ii) *Suspension risk*

Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, the Sub-Fund's ability to access the PRC market will be adversely affected.

(iii) *Differences in trading days*

The Stock Connects only operate on days when both the PRC and Hong Kong Stock Exchanges are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the PRC Stock Exchanges but Hong Kong Stock Exchanges or banks are closed and overseas investors (such as the Sub-Fund) cannot carry out any China “A” Shares trading. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuations in China “A” Shares on a day that the PRC Stock Exchanges are open for trading but the Hong Kong Stock Exchanges is closed.

(iv) *Operational risk*

The Stock Connects provide a channel for investors from Hong Kong and overseas to access the PRC Stock Exchanges directly.

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in these programmes subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading China “A” Shares through the Stock Connects. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the programmes to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connects requires routing of orders across the border. SEHK has set up an order routing system (“**China Stock Connect System**”) to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted. The Sub-Fund's ability to access the China “A” Shares market (and hence to pursue its investment strategy) will be adversely affected.

(v) *Restrictions on selling imposed by front-end monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China “A” Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Generally, if the Sub-Fund desires to sell certain China “A” Shares it holds, it must transfer those China “A” Shares to the respective accounts of its brokers before the market opens on the day of selling (“**Trading Day**”) unless its brokers can otherwise confirm that the Sub-Fund has sufficient China “A” Shares in the accounts. If it fails to meet this deadline, it will not be able to sell those shares on the Trading Day. Because of this requirement, the Sub-Fund may not be able to dispose of holdings of China “A” Shares in a timely manner.

However, the Sub-Fund may request a custodian to open a special segregated account (“**SPSA**”) in CCASS (the Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited (“**HKSCC**”) for the clearing securities listed or traded on SEHK) to maintain its holdings in China “A” Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating China Stock Connect System to verify the holdings of an investor such as the Sub-Fund. Provided that there is sufficient holding in the

SPSA when a broker inputs the Sub-Fund's sell order, the Sub-Fund will be able to dispose of its holdings of China “A” Shares (as opposed to the practice of transferring China “A” Shares to the broker's account under the current pre-trade checking model for non-SPSA accounts). Opening of the SPSA accounts for the Sub-Fund will enable it to dispose of its holdings of China “A” Shares in a timely manner.

(vi) *Recalling of eligible stocks*

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, when the Managers wish to purchase a stock which is recalled from the scope of eligible stocks.

(vii) *Custody, clearing and settlement risks*

The HKSCC, a wholly-owned subsidiary of HKEx, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. The China “A” Shares traded through Stock Connects are issued in scripless form, so investors will not hold any physical China “A” Shares. Hong Kong and overseas investors (including the Sub-Fund) who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities with their brokers’ or custodians’ stock accounts with CCASS.

HKSCC and ChinaClear have established the clearing links and each is a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

(viii) *Participation in corporate actions and shareholders’ meetings*

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE/SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities (as the case may be).

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS (“**CCASS participants**”) informed of all such corporate actions that require CCASS participants to take steps in order to participate in them. The HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders’ meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities and SZSE Securities traded via the Stock Connects through their brokers or custodians, and they will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be very short. Therefore, it is possible that the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

(ix) *Nominee arrangements in holding China "A" Shares*

HKSCC is the nominee holder of the SSE Securities and SZSE Securities acquired by Hong Kong and overseas investors (including the Sub-Fund) through the Stock Connects. The current Stock Connects rules expressly provide for the concept of a "nominee holder" and there are other laws and regulations in the PRC which recognise the concepts of "beneficial owner" and "nominee holder". Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE Securities/SZSE Securities and that it has a direct interest in the matter, investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that the Sub-Fund will not encounter difficulties or delays in terms of enforcing its rights in relation to China "A" Shares acquired through the Stock Connects. However, regardless of whether a beneficial owner of SSE Securities under Shanghai-Hong Kong Stock Connect or SZSE Securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE Securities and SZSE Securities where necessary.

(x) *Currency risk*

Where the Sub-Fund is denominated in US dollars or other foreign currency, the performance of the Sub-Fund may be affected by movements in the exchange rate between RMB (i.e. the currency in which SSE Securities and SZSE Securities are traded and settled) and US dollar or other foreign currency. The Sub-Fund may, but is not obliged to, seek to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. On the other hand, failure to hedge foreign currency risks may result in the Sub-Fund suffering from exchange rate fluctuations.

(xi) *No protection by Investor Compensation Fund*

Investments through the Stock Connects are conducted through brokers, and are subject to the risks of default by such brokers' in their obligations.

The Sub-Fund's investments through Northbound trading under the Stock Connects are not covered by the Hong Kong's Investor Compensation Fund, which is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Therefore, the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China "A" Shares through the Stock Connects. Further, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund in the PRC.

(xii) *Regulatory risk*

The Stock Connects are novel in nature, and the Stock Connects will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connects.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connects will not be abolished. The Sub-Fund, which may invest in the PRC Stock Exchanges through the Stock Connects, may be adversely affected as a result of such changes.

Risks associated with the Small and Medium Enterprise Board of the SZSE ("SME Board") and/or ChiNext Board of the SZSE ("ChiNext Board")

A Sub-Fund may have exposure to stocks listed on SME Board and/or ChiNext Board of SZSE.

(i) *Higher fluctuation on stock prices*

Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("**Main Board**").

(ii) *Over-valuation risk*

Stocks listed on SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

(iii) *Differences in regulation*

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

(iv) *Delisting risk*

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Investments in the SME Board and/or ChiNext Board may result in significant losses for the Sub-Fund and its investors.

PRC tax risk

(i) *Dividends*

Pursuant to the "Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) ("**Notice 81**") promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the China Securities Regulatory Commission ("**CSRC**") on 14 November 2014, the Sub-Fund is subject to a withholding income tax at 10% on dividends received from China "A" Shares traded via Shanghai-Hong Kong Stock Connect, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent PRC authority.

Pursuant to the "Notice on the tax policies related to the Pilot program of Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No.127) ("**Notice 127**") promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC on 5 November 2016, the Sub-Fund is subject to a withholding tax at 10% on dividends received from China "A" Shares traded via Shenzhen-Hong Kong Stock Connect.

(ii) *Capital gains*

Pursuant to Notice 81 and Notice 127, PRC corporate income tax will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China "A" Shares through the Stock Connects. It is noted that Notice 81 and Notice 127 both state that the corporate income tax exemption effective from 17 November 2014 and from 5 December 2016 respectively is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the Sub-Fund may in the future, need to make provision to reflect taxes payable, which may have a substantial negative impact on the net asset value of such Sub-Fund.

(iii) *<u>China Interbank Bond Market ("CIBM")</u>*

Pursuant to the "Notice on the tax policies related to the bond interest income received from investments in the China bond market" (Caishui [2018] No. 108) ("**Notice 108**") promulgated by the Ministry of Finance of the PRC and State Administration of Taxation of the PRC on 22 November 2018, overseas investors (including the relevant Sub-Funds) will be exempted from China Corporate Income Tax and Value Added Tax in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market. As such, upon the expiry date of the exemption, the relevant Sub-Funds may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the net asset value of such Sub-Funds.

Investors should note that Notice 108 did not provide specific written guidance by the mainland China tax authorities on the tax treatment of bond interest tax before the effective date of Notice 108 and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors. It is possible that the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding tax on realised gains on PRC fixed income securities.

In light of the above, the Sub-Funds may withhold certain amounts in anticipation of China withholding tax on the Sub-Funds' capital gains for a specified period of time or indefinitely.

We are of the opinion that a reserve may be warranted and may establish such a reserve in respect of the relevant Sub-Fund ("**Reserve**"). This Reserve is intended to cover potential indirect or direct PRC tax liabilities which may arise from realised gains relating to indirect or direct investments on PRC fixed income securities.

Upon the clarification by the China tax authorities of the tax liability to the advantage of the Sub-Funds, all or part of the Reserve may be rebated to and retained by the Sub-Funds. In the event that the China tax authorities' clarification results in a disadvantageous outcome for the Sub-Funds, there is no guarantee that the Reserve or withheld amounts (the "**withheld amounts**") will be enough to cover such indirect or direct China tax liabilities. If the withheld amounts or Reserve is insufficient to satisfy the indirect or direct China tax liabilities, the Sub-Funds may be required to make payment to satisfy such tax liabilities.

Investors should note that as and when the China tax authorities provide clarity on the position, treatment and implications of taxation such implications may have a retrospective effect such that the net asset value of the relevant Sub-Funds may be lower or higher than what was calculated at the relevant time. In addition, before published guidance is issued and is well established in the administrative practice of the China tax authorities, the practices with respect to investments may differ from, or be applied in a manner inconsistent with the practices with respect to the analogous investments described herein or any new guidance that may be issued. In this regard, investors who had redeemed their Units in a Sub-Fund prior to any credit made into that Sub-Fund as a result of China tax authorities' clarification on the tax position shall not have any right or claim to any amount so credited.

In the event a Sub-Fund is terminated or ceases to exist before the China tax authorities provide clarity, the Reserve may either be retained by or transferred to the Trustee or us (with the approval of the Trustee) on behalf of the Sub-Fund. In this situation, investors may not have any claim on such amount. Any monies remaining in the Reserve after payment of the Sub-Fund's direct or indirect China tax liabilities would be treated as residual monies.

10.1.15 A Sub-Fund may invest in the China Interbank Bond Market via the Bond Connect.

The Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("**CFETS**"), China Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of the Bond Connect ("**Northbound Trading Link**"). There will be no investment quota for the Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People's Bank of China ("**PBOC**") as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the recognised onshore custody agents are the ChinaClear and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Risks associated with China Interbank Bond Market

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. A Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realization costs and may even suffer losses when selling such investments.

To the extent that the Sub-Fund transacts in the China Interbank Bond Market, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Sub-Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the China Interbank Bond Market by eligible foreign institutional investors via the Bond Connect. Hence the Sub-Fund's tax liabilities for trading in the China Interbank Bond market via the Bond Connect is uncertain.

10.2 Specific risks associated with investments in the Sub-Funds

Please refer to the Annexes for specific risks associated with each Sub-Fund.

10.3 Specific risks associated with investments in China by the Fullerton Lux Sub-Funds

Where stated in the relevant Annex, a Sub-Fund may invest in a Fullerton Lux Sub-Fund that has investments in China. In such cases, the Fullerton Lux Sub-Fund may be subject to the following risks:

(i) China Risks – General

(a) Political and Social Risk

Investments in China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to China. Any change in the policies of China may adversely affect the securities markets in China and the performance of the Fullerton Lux Sub-Fund.

(b) Economic Risk

The economy of China differs from the economies of most developed countries, including government involvement in its economy, level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in China is not well developed when compared with those of developed countries.

The economy in China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of China's economy. All these may adversely affect the performance of the Fullerton Lux Sub-Fund.

(c) Legal and Regulatory Risk

The legal system of China is based on written laws and regulations. However, many of these laws and regulations are untested and their enforceability remains unclear. In particular, regulations which govern currency exchange in China are relatively new and their application is uncertain. Such regulations also empower the CSRC and the State Administration of Foreign Exchange ("**SAFE**") of the People's Republic of China to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

(d) Dependence upon trading market for China "A" Shares

The existence of a liquid trading market for the China "A" Shares may depend on whether there is supply of, and demand for, China "A" Shares.

Please note that the PRC Stock Exchanges on which China "A" Shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those exchanges could be lower than those in more developed financial markets. Market volatility and settlement difficulties in the China "A" Share markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the net asset value of the Fullerton Lux Sub-Fund.

If sizeable redemption requests are received in the absence of a liquid trading market for China "A" Shares, the Fullerton Lux Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and may suffer losses in trading such instruments.

(e) China "A" Share market suspension risk

China "A" Shares may only be bought from, or sold to, the Fullerton Lux Sub-Fund where the relevant China "A" Shares may be sold or purchased on the PRC Stock Exchanges. As the China "A" Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and realisation of shares may also be disrupted.

(f) Disclosure of Substantial Shareholding

Under China's disclosure of interest requirements, the Fullerton Lux Sub-Fund investing in China "A" Shares via our Qualified Foreign Institutional Investor ("**QFII**") quota or RMB qualified foreign institutional investor ("**RQFII**") quota may be deemed to be acting in concert with other funds managed within our group or our substantial shareholder. Therefore, the Fullerton Lux Sub-Fund may be subject to the risk that its holdings may have to be reported in aggregate with the holdings of such other funds mentioned above if the aggregate holding triggers the reporting threshold under China's law, currently at 5% of the total issued shares of the relevant China listed company. This may expose the Fullerton Lux Sub-Fund's holdings to the public and may adversely impact its performance.

In addition, subject to the interpretation of Chinese courts and regulators, certain provisions contained in China's laws and regulations may apply to the Fullerton Lux Sub-Fund's investments such that where its holdings (possibly with the holdings of other investors deemed as its concert parties) exceed 5% of the total issued shares of a China listed company, the Fullerton Lux Sub-Fund may not reduce its holdings in such company within 6 months of the last purchase of shares of such company. If the Fullerton Lux Sub-Fund violates this rule, it may be required by the listed company to return any profits realised from such trading to the listed company.

Moreover, under China's civil procedures, the Fullerton Lux Sub-Fund's assets may be frozen to the extent of the claims made by such company.

(ii) China QFII/RQFII risks

(a) Investment through Managers' or Third Parties' QFII/RQFII Quotas

Under the prevailing regulations in China, foreign investors may invest in securities and investments permitted to be held or made by QFII/RQFII under the relevant QFII/RQFII regulations ("**QFII/RQFII Eligible Securities**") through institutions that have obtained QFII/RQFII status in China.

As of the date hereof, owing to the current QFII/RQFII regulations and that the Fullerton Lux Sub-Funds are not QFII/RQFII, a Fullerton Lux Sub-Fund may invest in QFII/RQFII Eligible Securities indirectly through equity linked products, including but not limited to equity linked notes and participatory notes issued by institutions that have obtained QFII/RQFII status (collectively referred to as "**CAAPs**"). The Fullerton Lux Sub-Fund may also invest directly in QFII/RQFII Eligible Securities via our QFII/RQFII status.

Rules and restrictions under current QFII/RQFII regulations include rules on investment restrictions and rules on repatriation of principal and profits, which apply to the QFII/RQFII as a whole and not only to the investments made by the Fullerton Lux Sub-Fund. Investments in QFII/RQFII Eligible Securities made through the QFII/RQFII investment quota of institutions with QFII/RQFII status are generally subject to compliance with investment and market access restrictions applicable to each QFII/RQFII.

Such rules and restrictions imposed by the Chinese government on QFIIs/RQFIIs may adversely affect the Fullerton Lux Sub-Fund's liquidity and performance.

QFII/RQFII restrictions on investments apply to the quota granted to a QFII/RQFII as a whole. Therefore, violations of the QFII/RQFII regulations on investments arising from activities of the QFII/RQFII could result in the revocation of or other regulatory actions in respect of the quota of such QFII/RQFII as a whole, including any portion utilised by the Fullerton Lux Sub-Funds for investment in QFII/RQFII Eligible Securities or through CAAPs issued by the said QFII/RQFII.

(b) QFII/RQFII Quotas

There is no assurance that a QFII/RQFII will continue to maintain its QFII/RQFII status or make available its QFII/RQFII quota, or that the Fullerton Lux Sub-Fund will be allocated sufficient portion of the QFII/RQFII quota granted to us to meet all applications for subscription to the Fullerton Lux Sub-Fund, or that realisation requests can be processed in a timely manner due to changes in relevant laws/regulations.

Such restriction may result in a rejection of applications or a suspension of dealings of the Fullerton Lux Sub-Fund.

If we lose our QFII/RQFII status or retire or are removed, or our QFII/RQFII quota is revoked or reduced, the Fullerton Lux Sub-Fund may not be able to invest in QFII/RQFII Eligible Securities through our QFII/RQFII quota, and may be required to dispose of its holdings, which would likely be materially adverse to the Fullerton Lux Sub-Fund.

(c) Limits on the Repatriation of Funds

Where a Fullerton Lux Sub-Fund is invested in China's securities market by investing through our QFII/RQFII quota, repatriation of funds from China may be subject to the QFII/RQFII regulations in effect from time to time. Currently, regulatory prior approval is required for repatriation of funds from our QFII quota (QFII clients' account) while regulatory prior approval is not required for repatriation of funds from our RQFII quota (RQFII products). However, the QFII/RQFII regulations are subject to uncertainty in their application and there is no certainty that no regulatory restrictions will apply to the repatriation of funds by the Fullerton Lux Sub-Fund in the future. Accordingly, the investment regulations and/or the approach adopted by SAFE in relation to the repatriation may change.

(d) Custody and Broker Risk

The QFII/RQFII Eligible Securities acquired by a Fullerton Lux Sub-Fund through our QFII/RQFII quota will be maintained by the PRC custodian in electronic form via a securities account with the ChinaClear or such other central clearing and settlement institutions and a cash account with the PRC custodian.

We also select the PRC brokers to execute transactions for the Fullerton Lux Sub-Fund in the PRC markets. We can appoint up to the maximum number of PRC brokers per market (the SSE and the Shenzhen Stock Exchange) as permitted by the QFII/RQFII regulations. If the Fullerton Lux Sub-Fund's ability to use the relevant PRC broker is affected, this could disrupt its operations. The

Fullerton Lux Sub-Fund may also incur losses due to the acts or omissions of either the relevant PRC broker(s) or the PRC custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Further, if there is an irreconcilable shortfall in the assets in the securities accounts maintained by ChinaClear which may arise due to a fault in the ChinaClear or bankruptcy of ChinaClear, the Fullerton Lux Sub-Fund may suffer losses. In circumstances where only a single PRC broker is appointed which we considered appropriate to do so, the Fullerton Lux Sub-Fund may not necessarily pay the lowest commission or spread available.

Subject to the applicable laws and regulations in China, the depositary bank will make arrangements to ensure that the PRC custodians have appropriate procedures to properly safe-keep the Fullerton Lux Sub-Fund's assets.

According to the QFII/RQFII regulations and market practice, the securities and cash accounts for the Fullerton Lux Sub-Fund in China is to be maintained in the name of “the full name of the QFII/RQFII manager – the name of the fund” or “the full name of the QFII/RQFII manager – client account”, subject to the QFII/RQFII quota. Notwithstanding these arrangements with third party custodians, the QFII/RQFII regulations are subject to the interpretation of the relevant authorities in China.

Further, under the QFII/RQFII regulations, we will be entitled to the securities (although this entitlement is not an ownership interest) as the QFII/RQFII. Therefore, such QFII/RQFII Eligible Securities of a Fullerton Lux Sub-Fund may be vulnerable to a claim by our liquidator and may not be as well protected as if they were registered solely in the name of the Fullerton Lux Sub-Fund. In particular, there is a risk that our creditors may incorrectly assume that the Fullerton Lux Sub-Funds' assets belong to us and such creditors may seek to gain control of the Fullerton Lux Sub-Funds' assets to meet our liabilities owed to such creditors.

Please note that cash deposited in the cash account of a Fullerton Lux Sub-Fund with the PRC custodian will not be segregated but will be a debt owing from the PRC custodian to the Fullerton Lux Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC custodian. In the event of bankruptcy or liquidation of the PRC custodian, the Fullerton Lux Sub-Fund will not have any proprietary rights to the cash deposited in such cash account, and will become an unsecured creditor of equal ranking with all other unsecured creditors of the PRC custodian. The Fullerton Lux Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case it will suffer losses.

(e) Foreign exchange controls

RMB is currently not a freely convertible currency and is subject to exchange controls imposed by the Chinese government. As the Fullerton Lux Sub-Funds may invest in China, such controls could affect the repatriation of funds or assets out of the country, thus limiting their ability to satisfy realisation obligations.

(iii) China RQFII Specific Risks

(a) RQFII Regulations

The RQFII regulations that regulate investments by RQFIIs in China and the repatriation are relatively new and novel in nature. The application and interpretation of the RQFII regulations are therefore relatively untested and it is uncertain how they will be applied. CSRC and SAFE have been given wide discretions in the RQFII regulations and there is no precedent or certainty on how these discretions may be exercised now or in the future. At this stage of early development, the RQFII regulations may be further revised in the future. There is no assurance whether such revisions will prejudice the RQFII, or whether our RQFII quota which are subject to review from time to time by CSRC and SAFE may be removed substantially or entirely. The RQFII regulations continue to develop and change. CSRC and/or SAFE may have power in the future to impose new restrictions or conditions on or terminate our RQFII status which may adversely affect the Fullerton Lux Sub-Funds and their shareholders. It is uncertain how such changes would affect the Fullerton Lux Sub-Funds.

(b) Onshore versus offshore RMB differences risk

While both CNY and CNH are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may be in different directions. Although a growing amount of RMB is held offshore (i.e. outside China), CNH cannot be freely remitted into China and is subject to certain restrictions, and vice versa. Please note that subscriptions and realisations in a Fullerton Lux Sub-Fund investing in RQFII eligible securities through our RQFII quota will be in US$ and/or reference currency of the relevant share class and will be converted to/from CNH. You will bear the forex expenses for such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Fullerton Lux Sub-Fund may also be adversely affected by the rate and liquidity of the RMB outside China.

(iv) Tax risk

As a result of investing indirectly or directly in QFII Eligible Securities or RQFII Eligible Securities, a Fullerton Lux Sub-Fund may be subject to indirect or direct withholding and other taxes imposed by China. Please be aware that any changes or clarifications in the China taxation legislation may be retrospective in nature and could affect the amount of income which may be derived and the amount of capital returned, from the investments of the Fullerton Lux Sub-Fund. Laws governing taxation may continue to change and may contain conflicts and ambiguities.

Under the PRC's current tax law and regulations, there are uncertainties in the taxation rules of the QFIIs and RQFIIs. The tax treatment for a QFII investing in QFII Eligible Securities or a RQFII investing in RQFII Eligible Securities is governed by the general taxing provisions of the Corporate Income Tax Law of China ("**CIT Law**") effective on 1 January 2008. This is on the basis that the QFII or RQFII would be managed and operated such that it would not be considered a tax resident enterprise in China and would not be considered to have a permanent establishment in China. Under CIT Law, a 10% withholding income tax will be imposed on China-sourced income (including but not limited to cash dividends, distributions, interests and gains from transfers of QFII Eligible Securities or RQFII Eligible Securities) for a foreign enterprise that does not have any establishment or place of business in China, or that has an establishment or place of business in China but whose income is not effectively connected with such establishment or place of business. We intend to operate the Fullerton Lux Sub-Funds in a manner that will prevent it from being treated as tax resident of China and from having a permanent establishment in China, although this cannot be guaranteed.

A Fullerton Lux Sub-Fund may also potentially be subject to China business tax at the rate of 5% on capital gains derived from trading China "A" Shares. Existing guidance provides a business tax exemption for QFIIs for their gains derived from trading China securities, but does not explicitly apply to RQFIIs. In practice, the China tax authorities have not actively enforced the collection of business tax on such gains. In addition, urban maintenance and construction tax (currently at rates ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively, the "**Surtaxes**") are imposed based on business tax liabilities, so if the QFIIs or RQFIIs are liable for business tax they will also be required to pay the applicable Surtaxes.

The State Administration of Taxation has issued a circular Guoshuihan 2009 No. 47 on 23 January 2009 clarifying that QFIIs are subject to 10% China withholding tax on dividends and interest income that are sourced in China. Under the China CIT Law and its Detailed Implementation Rules, interest derived from the government bonds issued by the in-charge finance department of the State Council will be exempt from PRC income tax.

The China Ministry of Finance, China State Administration of Taxation and the China Securities Regulatory Commission issued the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of PRC equity investment assets such as PRC domestic stocks by QFII and RQFII" Caishui 2014 No.79 on 14 November 2014 ("**Notice 79**"). Notice 79 states that PRC corporate income tax will be imposed on capital gains obtained by QFII and RQFII from the transfer of PRC equity investment assets (including PRC domestic stocks) realised prior to 17 November 2014 in accordance with laws.

Notice 79 also states that QFIIs and RQFIIs (without an establishment or place of business in China or having an establishment or place in China but the income so derived in China is not effectively connected with such establishment or place) will be temporarily exempt from corporate income tax on gains realised from trading China "A" Shares effective from 17 November 2014. Also, Notice 79 states that the corporate income tax exemption on gains realised from trading China "A" Shares effective from 17 November 2014 is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, a Fullerton Lux Sub-Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on its Net Asset Value.

Aside from the above-mentioned rules, the China tax authorities have not clarified whether income tax and other tax categories are payable on gains arising from trading in securities that do not constitute shares or other equity investments, such as bonds and other fixed income securities, of QFIIs and/or RQFIIs. Therefore, the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding tax on realised gains by QFIIs and/or RQFIIs from dealing in PRC fixed income securities.

When such tax is collected by the PRC authorities, the tax liability will be payable by the QFII and/or RQFII. In such event, any tax levied on and payable by the QFII or RQFII will be passed on to and borne by the Fullerton Lux Sub-Fund to the extent that such tax is indirectly or directly attributable to the Fullerton Lux Sub-Fund through its holdings of CAAPs, QFII Eligible Securities, or RQFII Eligible Securities. The directors of the Fullerton Lux Funds may at their discretion, provide indemnities on behalf of the Fullerton Lux Sub-Fund to the QFIIs or RQFIIs in respect of possible capital tax gains imposed by the China tax authorities.

In light of the above, some or all of the QFIIs and RQFIIs may withhold certain amounts in anticipation of China withholding tax on the Fullerton Lux Sub-Fund's capital gains attributed to the quotas held by the QFIIs and RQFIIs. The amount withheld by the QFIIs or RQFIIs may be held by them for a specified period of time or indefinitely.

The directors of the Fullerton Lux Funds are of the opinion that a reserve may be warranted and may establish such a reserve in respect of a Fullerton Lux Sub-Fund ("**Reserve**"). This Reserve is intended to cover potential indirect or direct PRC tax liabilities which may arise from realised gains relating to indirect or direct investments in equity investments in the QFII Eligible Securities or RQFII Eligible Securities being equities prior to 17 November 2014, and realised and/or unrealised gains relating to indirect or direct investments in QFII Eligible Securities or RQFII Eligible Securities other than equities by the Fullerton Lux Sub-Fund. For potential tax liabilities relating to indirect investments in QFII Eligible Securities or RQFII Eligible Securities, this would also cover liabilities which are not otherwise covered by amounts withheld by the QFIIs or RQFIIs.

Upon the clarification by the China tax authorities of the tax liability to the advantage of the QFII, RQFII and/or a Fullerton Lux Sub-Fund, all or part of the Reserve may be rebated to and retained by the Fullerton Lux Sub-Fund. If the China tax authorities' clarification results in a disadvantageous outcome for the QFII, RQFII and/or the Fullerton Lux Sub-Fund, the Reserve or withheld amounts by the QFIIs or RQFIIs (the "**withheld amounts**") may not be enough to cover such indirect or direct China tax liabilities. If the withheld amounts or Reserve is insufficient to satisfy the indirect or direct China tax liabilities, the Fullerton Lux Sub-Fund may be required to make payment to satisfy such tax liabilities.

Please note that as and when the China tax authorities clarify the position, treatment and implications of taxation of QFIIs and RQFIIs, such implications may have a retrospective effect such that the Net Asset Value of the Fullerton Lux Sub-Fund may be lower or higher than what was calculated at the relevant time. In addition, before published guidance is issued and is well established in the administrative practice of the China tax authorities, the practices with respect to investments in QFII Eligible Securities or RQFII Eligible Securities may differ from, or be applied in a manner inconsistent with the practices with respect to the analogous investments described herein or any new guidance that may be issued. In this regard, investors who had redeemed their shares in a Fullerton Lux Sub-Fund prior to any credit made into the Fullerton Lux Sub-Fund due to the China tax authorities' clarification on the tax position of QFIIs or RQFIIs will not have any right or claim to any amount so credited.

If a Fullerton Lux Sub-Fund is terminated or ceases to exist before the China tax authorities provide clarity, the Reserve may either be retained by or transferred to us on behalf of the Fullerton Lux Sub-Fund. In this situation, you will have no claim on such amount.

(v) Stock Connects Risks

Where a Fullerton Lux Sub-Fund invests and/or have direct access to certain eligible China "A" Shares via the Stock Connects, it will be subject to the risks as described in Paragraph 10.1.14.

11. Subscription of Units

11.1 Subscription procedure

You may subscribe for Units using the application form supplied with this Prospectus (the "**Application Form**") or through any of the appointed agents or distributors, or other authorised sales channels.

Subject to the Deed, you may pay for the Units of each Sub-Fund either with cash or (if indicated in the Annexes) Supplementary Retirement Scheme ("**SRS**") moneys.

Please refer to the Application Form for details on the acceptable modes of payment.

If you use SRS moneys, you may not be registered as Joint Holders. For the avoidance of doubt, Units may not be purchased or held by any US Persons (as defined above) or "specified United States persons" under the tax laws of the United States (regardless of the mode of payment including, but not limited to, Units purchased with SRS moneys).

To comply with applicable anti-money laundering laws and guidelines, we and/or the agents and distributors reserve the right to request such information and/or documents deemed necessary to verify your identity.

11.2 Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Holding

The Minimum Initial Subscription, the Minimum Subsequent Subscription and the Minimum Holding for each Sub-Fund or Class are specified in the Annexes. We have the discretion to prescribe, waive or vary such requirements.

11.3 Initial Issue Price, initial offer period and Issue Price

Each newly established Sub-Fund or Class will be offered at an initial Issue Price during the initial offer period (as described in Annexes).

After the initial offer period, Units will be issued at a price corresponding to the prevailing Net Asset Value per Unit of the relevant Sub-Fund or Class as set out in Paragraph 11.4.

11.4 Dealing deadline and pricing basis

11.4.1 Dealing deadline

The dealing deadline is 5.00 p.m. Singapore time on a Dealing Day[8].

For applications received and accepted by us before the dealing deadline, such Units will be issued at that Dealing Day's issue price calculated in accordance with the Deed (“**Issue Price**”). Applications received after the dealing deadline or on a day which is not a Dealing Day will be treated as having been received on the next Dealing Day.

11.4.2 Pricing basis

The Issue Price per Unit of a Sub-Fund or Class on each Dealing Day will be an amount equal to the Net Asset Value[9] per Unit of that Sub-Fund or Class calculated in accordance with Clause 10 of the Deed.

Such Net Asset Value is calculated as at the Valuation Point on the relevant Valuation Day (as defined below).

We may change the method of determining the Issue Price, subject to the Trustee's prior approval and (if required by the Trustee) providing notice to the Holders.

(i) Pricing basis for the Sub-Funds (except FSCF and FUCF)

As the Units of these Sub-Funds are issued on a forward pricing basis, the Issue Price of the Units will not be ascertainable at the time of application.

Currently, the “Valuation Day” for a Dealing Day means that Dealing Day or such other day as we may determine (with the prior approval of the Trustee) upon one month's prior notice of the change being given to the Holders.

The “Valuation Point” means the close of business of the last relevant market to close on the relevant Valuation Day on which the Net Asset Value of a Sub-Fund or Class is to be determined for a Dealing Day (or such other time as we

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[8] “**Dealing Day**” in connection with the issuance, cancellation and realisation of Units of (i) FABF, FAIR, FPF, FSHG, FSHB and FSHI is every Business Day in Singapore which is also a week day on which banks are normally open for business in Luxembourg, (ii) FUCF, is every Business Day in Singapore which is also a week day on which banks are normally open for business in the US, and (iii) all other Sub-Funds, is every Business Day in Singapore. A “**Business Day**” is every day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore or any other day as we and the Trustee may agree in writing.

[9] “**Net Asset Value**” means the value of all assets of a Sub-Fund or Class (as the case may be) less liabilities or, as the context may require, of a Unit of such Sub-Fund or Class, determined in accordance with Clause 10 of the Deed.

may determine), subject to the Trustee's prior approval and (if required by the Trustee) providing notice to the Holders.

The Net Asset Value per Unit will currently be truncated (but not rounded off) as follows:

Sub-Fund / Class	
FSTIR (All Classes) FABF (Classes B and F) FSBF (All Classes) FSIF (All Classes) FDSA (All Classes) FDSB (All Classes) FAIR (All Classes) FUSIF (Classes A (S$-Hedged), B, C (AUD-Hedged), D (EUR-Hedged), E (GBP-Hedged), F, G and R) FPF (All Classes) FSHG (All Classes) FSHB (All Classes) FSHI (All Classes)	5 decimal places
FABF (Classes A, C, D (RMB-Hedged), E and G (RMB-Hedged))	2 decimal places
FUSIF (Class H)	3 decimal places
FABF (Classes J1 and J2)	Nearest whole number

or such other truncation or rounding method as we may determine with the approval of the Trustee and with prior written notice to the Holders.

(ii) Pricing basis for FSCF and FUCF

As Units of FSCF and FUCF are issued on a historical pricing basis, the Issue Price per Unit will be ascertainable at the time of application.

The "**Valuation Day**" for a Dealing Day means the calendar day immediately preceding that Dealing Day or such other day as we may determine (with the prior approval of the Trustee) upon one month's prior notice of the change being given to the Holders.

The "**Valuation Point**" means such time on the relevant Valuation Day on which the Net Asset Value of FSCF or FUCF (as the case may be) or a Class of FSCF or FUCF (as the case may be) is to be determined for a Dealing Day, or such other time as we may decide.

The Net Asset Value per Unit of FSCF and FUCF will be truncated (but not rounded off) to 5 decimal places or such other truncation or rounding method as we may determine with the approval of the Trustee and with prior written notice to the Holders.

(iii) Dilution adjustment for certain Sub-Funds

We may apply Dilution Adjustment for FSTIR and FSIF (with effect from 22 July 2015) and for FUSIF. If applied, this will impact the Issue Price of their Units.

Please refer to Paragraph 20.8 for details.

11.5 Computation on the allotment of Units

In purchasing the Units, you will pay a fixed amount of money, e.g., S$1,000, which will buy the number of Units (truncated to 3 decimal places or such other truncation or rounding method as we may determine with the approval of the Trustee and with prior written notice to the Holders) obtained from dividing S$1,000 (less the Preliminary Charge, if any) by the Issue Price of the Units. The Preliminary Charge for each Sub-Fund and Class (if any) is set out in the Annexes. The Preliminary Charge will be paid to the appointed agents or distributors, or such other person nominated by us.

The following is a hypothetical illustration of the number of Units that is allotted based on an investment of S$1,000 and an Issue Price of S$1.05000.

S$1,000 Gross Subscription Amount	-	S$0.00 Preliminary Charge	=	S$1,000 Net subscription amount
S$1,000 Net subscription amount	/	S$1.05000 Issue Price	=	952.380 Units Number of Units allotted

<u>Notes</u>:

(i) Please note the Minimum Initial Subscription and Minimum Subsequent Subscription for each Sub-Fund or Class (as the case may be) specified in the Annexes.

(ii) This example is not a forecast or indication of any expectation of any Sub-Fund's performance. It assumes that no Preliminary Charge is imposed.

(iii) There may be differences in the Issue Prices of Units as the currency denomination, the Preliminary Charge, the Management Fee, the Performance Fee (if any), the Minimum Initial Subscription, the Minimum Subsequent Subscription and the truncation methodology may differ for each Sub-Fund and Class. During the initial offer period, the Issue Price will be the initial Issue Price as specified in the Annexes.

(iv) "**Gross Subscription Amount**" means the original amount paid by you at the time of subscription before deducting the Preliminary Charge (if any).

11.6 Confirmation of purchase

Holders will receive a confirmation note detailing the investment amount and the number of Units allotted within 14 Business Days from the date of issue of Units.

11.7 Cancellation of Units by investors

If you are a first-time investor, you have the right to cancel your subscription of Units within 7 calendar days from the date of subscription of Units by giving written notice to us or your agent or distributor. Such cancellation is subject to the Deed and the cancellation terms and conditions contained in the Notice on Cancellation Form (which is attached to the Application Form). If the last day of the Cancellation Period falls on a Sunday or a public holiday in Singapore, the Cancellation Period will be extended to the next calendar day, not being a Sunday or a public holiday.

For subscriptions using SRS moneys, cancellation proceeds will be paid to you after we receive the subscription moneys. Please note that the SRS operator bank may levy charges for the withdrawal of subscription moneys and the payment of cancellation proceeds. You will bear such charges.

Please read the cancellation terms and conditions in the Notice on Cancellation Form.

11.8 Regular savings plans

The appointed agents or distributors may, at their own discretion, offer regular savings plans ("**RSP**") for Units in a Sub-Fund. Please check with your agent or distributor for details of such RSP (such as the minimum amount of periodic contributions and the timing for deduction of monies from an investor's account and allotment of Units), if any. Information on such RSP offered by each agent or distributor may vary and may be subject to changes from time to time.

You should contact your agent or distributor for details before applying. We will not assume any liability for any losses to your participation in any RSP.

We will not impose any penalty in the event you wish to cease your participation in the RSP (if any). You may at any time cease your participation in the RSP (if any) in respect of a Sub-Fund by giving written notice of not less than a specified period to your agent or distributor. Information on the minimum notice period, which may not be longer than the period between your periodic contributions, may be obtained from your agent or distributor.

12. Realisation of Units

12.1 Realisation procedure

You may realise your Units on any Dealing Day by submitting realisation forms to us or your agent or distributor. You may realise your Units in full or partially, subject to any minimum partial realisation amount for that Sub-Fund or Class (as set out in the Annexes) and to you maintaining the Minimum Holding for that Sub-Fund or Class (as set out in the Annexes).

Please note that the realisation of Units may be limited by the total number of Units of such Sub-Fund to be realised on any Dealing Day and may not exceed 25% (for FSCF) and 10% (for the other Sub-Funds) of the total number of Units of such Sub-Fund then in issue. This limitation is to be applied proportionally to all Holders of such Sub-Fund who have validly requested for the realisation of their Units on such Dealing Day. Any Units not realised will be realised on the next Dealing Day, subject to the same limitation.

If, due to any realisation request, the amount you invested falls below the Minimum Holding requirement for that Sub-Fund or Class (and we have not varied or waived this requirement for you), you are deemed to have applied for your entire holding to be realised and we will realise all your Units accordingly.

12.2 Dealing deadline and pricing basis

12.2.1 Dealing deadline

The dealing deadline is 5.00 p.m. Singapore time on a Dealing Day.

For realisation forms received and accepted by us by the dealing deadline, such Units will be realised at that Dealing Day's realisation price calculated in accordance with Clause 14.4 of the Deed (the "**Realisation Price**"). Realisation forms received after the dealing deadline or on a day that is not a Dealing Day will be treated as having been received on the next Dealing Day.

12.2.2 Pricing basis

The Realisation Price per Unit of a Sub-Fund or Class on each Dealing Day will be an amount equal to the Net Asset Value per Unit of that Sub-Fund or Class calculated in accordance with Clause 10 of the Deed.

Such Net Asset Value is calculated as at the Valuation Point on the relevant Valuation Day (as defined below).

We may change the method of determining the Realisation Price, subject to the Trustee's prior approval and (if required by the Trustee) providing notice to the Holders.

(i) Pricing basis for the Sub-Funds (except FSCF and FUCF)

As Units for these Sub-Funds are realised on a forward pricing basis, the Realisation Price of the Units will not be ascertainable at the time of realisation.

The "Valuation Day", "Valuation Point" and method of truncation for these Sub-Funds are set out in Paragraph 11.4.2(i).

(ii) Pricing basis for FSCF and FUCF

As Units of FSCF and FUCF are realised on a historical pricing basis, the Realisation Price of the Units will be ascertainable at the time of realisation.

The "Valuation Day", "Valuation Point" and method of truncation for FSCF and FUCF are set out in Paragraph 11.4.2(ii).

(iii) Dilution Adjustment for certain Sub-Funds

We may apply Dilution Adjustment for FSTIR and FSIF (with effect from 22 July 2015) and for FUSIF. If applied, this will impact the Realisation Price of their Units.

Please refer to Paragraph 20.8 for details.

12.3 Computation of realisation proceeds

The realisation proceeds due to you on the realisation of Units will be the Realisation Price per Unit multiplied by the number of Units being realised (less any Realisation Charge) rounded off to the nearest 2 decimal places. The Realisation Charge for each Sub-Fund and Class are set out in the Annexes.

The following is a hypothetical illustration of the realisation proceeds that a Holder will receive based on a holding of 1,000 Units and a Realisation Price of S$1.05000.

1,000 Units	x	S$1.05000	=	S$1,050.00
Number of Units realised		Realisation Price		Gross realisation proceeds
S$1,050.00	-	S$0.00	=	S$1,050.00
Gross realisation proceeds		Realisation Charge		Net realisation proceeds

Notes:

(i) Please note the Minimum Holding and minimum partial realisation amount for each Sub-Fund or Class (as the case may be) specified in the Annexes.

(ii) This example is not a forecast or indication of any expectation of any Sub-Fund's performance. It assumes that no Realisation Charge and no Performance Fee is applicable.

(iii) There may be differences in the Realisation Prices of Units as the currency denomination, the Preliminary Charge, the Management Fee, the Performance Fee (if any), the Minimum Holding and the truncation methodology may differ for each Sub-Fund and Class.

12.4 Payment of realisation proceeds

Realisation proceeds will normally be paid within 7 Business Days, or such other period permitted by the Authority, following the receipt and acceptance of the realisation form by us (unless the realisation of Units has been suspended in accordance with Paragraph 15).

12.5 Compulsory realisation

12.5.1 We (in consultation with the Trustee) may compulsorily realise your Units if such Units are acquired or held:

(i) in breach of the law or official requirements of any jurisdiction or regulatory authority which in our opinion might adversely affect the Sub-Fund and/or the Fund;

(ii) in circumstances which in our opinion may result in the Sub-Fund and/or the Fund incurring any tax, licensing or registration liability in any jurisdiction which that Sub-Fund and/or the Fund might not otherwise have incurred or which in our opinion (in consultation with the Trustee) may result in the Sub-Fund and/or the Fund suffering any disadvantage which that Sub-Fund and/or the Fund might not otherwise have suffered or where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as we may request pursuant to local laws, regulations or contractual obligations with other jurisdictions' authorities cannot be obtained from you, or you have refused to provide the same or have withdrawn your authorisation for the Trustee and/or us to disclose such information, documents or self-certifications as may be required by the Trustee and/or us; or

(iii) in circumstances where you have refused or withdrawn your consent for the Trustee and/or us to collect, use and/or disclose information relating to you.

12.5.2 If we and/or the Trustee is required to account to any duly empowered fiscal authority of the Republic of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units you hold, we (in consultation with the Trustee) may by notice to you realise such number of your Units as may be necessary to discharge the tax liability arising as if you had requested in writing the realisation of such Units. We and/or the Trustee may apply the proceeds of such realisation in payment, reimbursement and/or set-off against the tax liability.

13. Switching of Units

Subject to the limitations below, the provisions of the Deed and our discretion, you may switch your Units in any Sub-Fund for Units of another Class in the same Sub-Fund or for Units in another Sub-Fund by submitting a duly signed switching form to us or your agent or distributor. Without our consent, you may not withdraw a switching form once it has been submitted.

You may switch out either all or some of your original Units subject to you maintaining the Minimum Holding requirement, after deducting the Switching Fee (as stated in the Annexes). The limitations on switching of Units are set out in the Annexes.

Acceptance of switching requests will be subject to the availability of the new Class or Sub-Fund, and to the compliance with any eligibility requirements and/or other specific conditions for the new Class or Sub-Fund.

Units subscribed for using SRS moneys may only be switched to Units that may be subscribed for using SRS moneys. Units subscribed for using cash may only be switched to Units that may be purchased with cash.

A switch transaction will only be processed on a day which is both a Dealing Day for Units of the original Sub-Fund or Class and a Dealing Day for Units of the new Sub-Fund or Class (a "**Common Dealing Day**"). If the switch transaction is received on a day which is not a Common Dealing Day or is received after the dealing deadline on a Common Dealing Day, such switching transaction will be processed on the next Common Dealing Day.

The dealing deadline is 5.00 p.m. Singapore time on a Common Dealing Day.

We will determine the number of Units of the new Sub-Fund or Class to be issued upon the switch in accordance with Clause 12.2.6 of the Deed.

No Units will be switched during any period when the right of Holders to require the realisation of Units is suspended or on any Common Dealing Day on which the number of Units of the original Sub-Fund or Class that can be realised is limited pursuant to the Deed.

14. Obtaining Prices of Units

Each Sub-Fund will be valued on each Dealing Day. The Issue and Realisation Prices of Units in the Sub-Funds or Classes are quoted separately. The prices are available from us or our appointed agents, and may also be published on Bloomberg daily.

The Issue and Realisation Prices of the Sub-Funds (except FSCF and FUCF) are quoted on a forward pricing basis and will be available within 2 Business Days after each relevant Dealing Day.

The Issue and Realisation Prices of FSCF and FUCF are quoted on a historical pricing basis and will be available on the relevant Dealing Day.

Please note that, other than our publications, we do not accept any responsibility for any errors or non-publication of the prices by the publisher of the abovementioned wire service. We will not incur any liability for any action you take or loss you suffer in reliance upon such publications.

15. Suspension of Dealings

15.1 Subject to the requirements of the Code, we or the Trustee may, with the other's prior written approval, suspend the issue and realisation of Units during:

15.1.1 any period when the Recognised Stock Exchange[10] or the OTC Market[11] on which any Authorised Investments forming part of Deposited Property (whether of any particular Sub-Fund or of the Fund) for the time being are dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

15.1.2 the existence of any state of affairs which, in the opinion of the Trustee and ours, might seriously prejudice the interests of the Holders (whether of any particular Sub-Fund or of the Fund) as a whole or of the Deposited Property (whether of any particular Sub-Fund or of the Fund);

15.1.3 any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Stock Exchange or that OTC Market 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);

15.1.4 any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Trustee and ours, be carried out at normal rates of exchange;

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[10] "**Recognised Stock Exchange**" means any stock exchange or futures exchange or organised securities exchange or other market of sufficient repute or any government securities market in any part of the world as may be approved by us and the Trustee and includes in relation to any particular authorised investment, any responsible firm, corporation or association in any part of the world which deals in the authorised investment as to be expected generally to provide in our opinion a satisfactory market for such authorised investment.

[11] "**OTC Market**" means any over-the-counter market or over-the-telephone market in any country in any part of the world, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which we may from time to time elect.

15.1.5 any 48 hour period (or such longer period as we and the Trustee may agree) prior to the date of any meeting or adjourned meeting of Holders;

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

15.1.7 any period when the business operations of the Trustee or ours for the operation of any particular Sub-Fund or of the Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;

15.1.8 for a Sub-Fund which is a Feeder Fund (as defined in the Deed), during any period when dealings in units or shares in any of the underlying funds in which the Sub-Fund is invested are restricted or suspended; or

15.1.9 in exceptional circumstances where such suspension is in the interest of the Holders (whether of any particular Sub-Fund or of the Fund).

15.2 Subject to the requirements of the Code, such suspension will take effect immediately upon our written declaration to the Trustee (or by the Trustee to us) and will terminate as soon as practical when the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised under this Paragraph 15 exists upon the written declaration by us (or by the Trustee), and in any event, within such period as prescribed by the Code. The period of suspension may be extended in accordance with the Code.

16. Performance, Benchmark and Ratios

16.1 Performance and benchmark

Please refer to the Annexes for the performance and benchmark of each Sub-Fund.

The performance figures for the one year performance return shows the percentage change, while the figures for performance returns for more than one year show the average annual compounded return. **Please note that the past performance of a Sub-Fund is not indicative of its future performance.**

Where performance figures of certain Classes or Sub-Funds are not stated in the Annexes, this means that, as at 30 September 2019 (or such other date as stated in the Annexes, if any), they have either not been incepted or have been incepted for less than a year.

Unless otherwise stated in the Annexes:

(i) The "**Single NAV (adjusted)**" performance figures are calculated on a bid-to-bid basis (taking into account the Preliminary Charge and the Realisation Charge, if any), with net dividends and distributions (if any) reinvested, in the relevant class currency.

(ii) The "**Single NAV (unadjusted)**" performance figures are calculated on a bid-to-bid basis (without any adjustment), with net dividends and distributions (if any) reinvested, in the relevant class currency.

(iii) The returns of the benchmarks (if any) are calculated in the relevant class currency and (where applicable) on a bid-to-bid basis.

The benchmarks may change, be removed or be introduced from time to time, as we may determine in our sole discretion. Such changes (if any) will be disclosed in the Annexes.

16.2 Expense and turnover ratios

Where the expense ratios of certain Classes are not stated in the Annexes, this means that, as at **31 March 2019** (or such other date as stated in the Annexes, if any), they have not been incepted or there are no audited figures for such Classes for the purpose of computing the expense ratios.

The expense ratios are calculated in accordance with the guidelines on the disclosure of expense ratios issued by the Investment Management Association of Singapore ("**IMAS**") and are based on figures in the Sub-Fund's latest audited accounts. When a Class is newly launched and has been in existence for less than a year, the expense ratio stated is on an annualised basis. The following expenses (where applicable) are excluded from the calculation of the expense ratio:

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

(ii) interest expenses;

(iii) foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;

(iv) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;

(v) tax deducted at source or arising from income received including withholding tax; and

(vi) dividends and other distributions paid to Holders.

The turnover ratios are calculated based on the lesser of purchases or sales of underlying investments of the relevant Sub-Fund expressed as a percentage of its average daily Net Asset Value.

17. Soft Dollar Commissions/Arrangements

17.1 Soft dollar commissions/arrangements in respect of the Sub-Funds

We may and intend to receive or enter into soft-dollar commissions/arrangements in our management of the Sub-Funds. We will comply with applicable regulatory and industry standards on soft-dollars. Such soft-dollar commissions include 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 for investments managed for clients.

Soft-dollar commissions/arrangements 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 will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in our opinion, assist us in our management of the Sub-Funds, provided that we ensure at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

17.2 Soft dollar commissions/arrangements in respect of the Underlying Funds and other collective investment schemes in which the Sub-Funds may (where applicable) invest more than 10% of their respective Net Asset Values

In respect of the Underlying Funds and other collective investment schemes where we are the manager (collectively, "**our schemes**"), we may enter into soft-dollar commission arrangements only where (i) there is a direct and identifiable benefit to our clients, including without limitation, our schemes, and (ii) where we are satisfied that the transactions generating the soft-dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of our schemes. We must make any such arrangements on terms commensurate with best market practice.

The soft-dollar commissions which we may receive include 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 for investments managed for clients.

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

18. Conflicts of Interest

18.1 We and the Trustee are not in any positions of conflict in relation to the Fund or Sub-Funds. We and the Trustee will conduct all transactions with or for the Fund and the Sub-Funds on an arm's length basis.

18.2 Subject to the provisions of the Code, we may from time to time invest moneys of any Sub-Fund in the securities of any of our related corporations[12]. We may also invest moneys of any Sub-Fund in other collective investment schemes managed by us or our related corporations. As such, the Managers or the Trustee or their respective affiliates, including our fund managers who will be managing the Sub-Funds (together the "**Parties**" and each a "**Party**") may have to deal with competing or conflicting interests between the other collective investment schemes which are managed by us and the Sub-Funds. In addition, certain of our related companies may also invest in similar investments made by us in respect of the Sub-Funds. If there is a conflict of interest, the Parties will endeavour to resolve the conflict fairly and in the interest of the Holders.

18.3 We are of the view that there are no conflict of interests in managing the Sub-Funds and the other collective investment schemes managed by us. As a member of IMAS, we adopt the principles and standards of investment conduct, which includes ensuring fair allocation, as set out in the IMAS Code of Ethics & Standards of Professional Conduct. To determine if there is a potential conflict of interest, we will also take into account the assets (including cash) of the Sub-Funds and the assets of the other collective investment schemes managed by us. In particular,

(i) we will conduct all transactions at arm's length and enter into transactions which are consistent with the investment objective and approach of the Sub-Funds and the other collective investment schemes managed by us;

(ii) we will use reasonable endeavours at all times to act fairly and in the interests of the Sub-Funds. In particular, after taking into account the availability of cash and the relevant investment guidelines of each Sub-Fund, we will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among each Sub-Fund; and

(iii) to the extent that another collective investment scheme managed by us intends to purchase substantially similar assets, we will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Sub-Funds and the other collective investment schemes.

18.4 We, as investment manager of the Fullerton Lux Sub-Funds, may have dealings in the assets of the sub-funds of Fullerton Lux Funds provided that any such transactions are effected on normal commercial terms negotiated at arm's length and each such transaction complies with any of the following:

(i) a certified valuation of such transaction is provided by a person approved by the directors of Fullerton Lux Funds as independent and competent;

[12] As defined in Section 4(1) of the Companies Act, Chapter 50 of Singapore.

(ii) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or

where neither (i) nor (ii) is practical;

(iii) where the directors of Fullerton Lux Funds are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

We may effect transactions in which we have an interest which may potentially conflict with our duty to Fullerton Lux Funds. We will not be liable to account to Fullerton Lux Funds for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will our fees, unless otherwise provided, be abated.

18.5 The Managers or the Trustee may own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. If there is any conflict of interest arising from such dealing, the Managers and the Trustee, after consultation with each other, will resolve such conflict in a fair and equitable manner as they deem fit.

18.6 Associates of the Trustee may be engaged to provide banking, brokerage or financial services to the Fund or any of the Sub-Funds 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 will be provided on an arm's length basis.

18.7 We, our related entities and employees may hold Units in any of the Sub-Funds.

19. Accounts and Reports

The financial year-end for the Fund and each Sub-Fund is 31 March.

The following documents will be prepared and sent to the Holders (whether by post or electronic means as permitted under the Code) within the stated period:

Document	Period
Annual report, annual accounts and the auditor's report on the annual accounts	3 months of the financial year-end
Semi-annual report and semi-annual accounts	2 months of the financial half-year end, i.e. 2 months from 30 September

You may request for hardcopies of the accounts from the Trustee, who will make available or cause to be made available within 2 weeks of your request.

The periods stated above may be extended if permitted by the Authority.

20. Other Material Information

20.1 Information on investments

You may request for information on the value of your investment and transactions from us.

20.2 Distribution of income and capital gains

20.2.1 We have absolute discretion on the making of distributions (if any) for the Sub-Funds.

20.2.2 We may direct the Trustee to distribute (i) such part or all of the income of the Sub-Funds and such part or all of the net capital gains realised on the sale of Authorised Investments of the Sub-Funds for the distributable amount under Clause 20.2 of the Deed and (ii) for such period as we may determine in accordance with such method of calculations as we and the Trustee may agree.

20.2.3 In addition, distributions may be made out of the capital of a Sub-Fund if this is specified in the Annexes. For such distributions, you will be notified of the proportion of the distributions which is made out of the capital of the Sub-Fund.

20.2.4 When distributions are declared and paid out, the net assets attributable to the Units of that Sub-Fund will be reduced (by an amount which is equal to the number of Units outstanding multiplied by the declared distribution amount per Unit).

20.3 Taxation

THE DISCUSSION BELOW IS A SUMMARY OF CERTAIN SINGAPORE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSAL/REALISATION OF UNITS IN THE SUB-FUNDS. THE SUMMARY IS BASED ON THE EXISTING TAX LAW AND REGULATIONS, THE CIRCULARS ISSUED BY THE AUTHORITY AND PRACTICES IN EFFECT AS AT 1 NOVEMBER 2019, 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. PLEASE CONSULT YOUR OWN TAX ADVISERS CONCERNING THE TAX CONSEQUENCES OF YOUR PARTICULAR SITUATION, INCLUDING THE TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAX JURISDICTION, WHICH MAY APPLY TO YOUR PARTICULAR CIRCUMSTANCES. THIS SUMMARY DOES NOT CONSTITUTE TAX OR LEGAL ADVICE.

It is emphasised that none of the Trustee, the Managers or any persons involved in the issuance of the Units accept responsibility for any tax effects or liabilities resulting from the acquisition, ownership or disposal/realisation of the Units.

Income tax

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

Gains on disposal of investments

Singapore does not impose tax on capital gains. The determination of whether the gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

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

The Fund may be construed to be carrying on activities of a trade or business in Singapore. Accordingly, the income derived by the Fund may be considered income accruing in or derived from Singapore and subject to Singapore income tax, unless the income is specifically exempted from tax. The Sub-Funds may rely on the tax deferral benefits under the designated unit trust ("**DUT**") scheme, tax exemption under Section 13X or 13CA of the Income Tax Act (Chapter 134) ("**ITA**"), as discussed below.

20.3.1 Taxation of the Sub-Funds with DUT status and Holders in Singapore

With effect from 1 September 2014, the DUT scheme will be administered on a self-assessment basis. Each Sub-Fund may elect to claim the DUT tax deferral benefits for a year of assessment ("**YA**") by submitting the annual declaration form together with the tax return (Form UT) by the statutory deadline or within such extended time granted by the Inland Revenue Authority of Singapore ("**IRAS**"), provided that each of the Sub-Funds meets all the DUT conditions throughout the basis period, including the following:

(a) the Sub-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 Sub-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 Sub-Fund is tax resident in Singapore; and

(d) the fund manager holds a capital markets services ("**CMS**") licence for fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, and the Sub-Fund is managed by that fund manager in Singapore.

FSTIR, FSCF, FABF, FSBF, FDSA, FDSB, FUSIF, FPF, FSHG, FSHB and FSHI subject to meeting the DUT conditions, will seek to claim the DUT tax deferral benefits.

The DUT scheme has expired on 1 April 2019. Existing DUT funds will continue to receive the tax deferral benefits under the DUT Scheme on or after 1 April 2019, if they continue to meet all the requisite conditions.

Generally, a Sub-Fund can continue to enjoy the DUT tax deferral benefits, if it:

(a) meets all the DUT conditions in the basis period immediately preceding the basis period on which 1 April 2019 falls and elects for the DUT tax deferral benefits to apply to the Sub-Fund in the first-mentioned basis period; and

(b) meets all the DUT conditions and elects for the DUT tax deferral benefits for every subsequent YA.

A Sub-Fund will not enjoy the DUT tax deferral benefits if it fails to meet any of the DUT conditions for any YA relating to a basis period beginning on or after 1 April 2019 or no election is made for the DUT tax deferral benefits for any basis period beginning on or after 1 April 2019. The DUT tax deferral benefits will not apply to the Sub-Fund for the YA to which that basis period relates and for every subsequent YA.

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

A. Trust level

Income of a trust is generally taxable in the hands of its trustee. If the trust is eligible and elects for the DUT tax deferral benefits, the following income ("**Specified Income**") does not form part of the statutory income of the Sub-Fund and is thus not taxable at the Sub-Fund's level:

(a) gains or profits derived from Singapore or elsewhere from the disposal of securities;

(b) interest (other than interest for which tax has been deducted under Section 45 of the ITA);

(c) dividends derived from outside Singapore and received in Singapore;

(d) gains or profits derived from:

  (i) foreign exchange transactions;

  (ii) transactions in futures 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;

(e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore;

(f) fees and compensatory payments (other than fees and compensatory payments for which tax has been deducted under Section 45A of the ITA) from securities lending or repurchase arrangements with certain specified persons;

(g) rents and any other income derived from any immovable property situated outside Singapore and received in Singapore;

(h) discount derived from outside Singapore and received in Singapore;

(i) discount from qualifying debt securities ("**QDS**") issued during the period from 17 February 2006 to 31 December 2023 (both dates inclusive);

(j) gains or profits from the disposal of debentures, stocks, shares, bonds or notes issued by supranational bodies;

(k) prepayment fee, redemption premium and break cost from QDS issued during the period from 15 February 2007 to 31 December 2023 (both dates inclusive); and

(l) such other income directly attributable to QDS issued on or after a prescribed date, as may be prescribed by regulations.

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

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

B. Holders' level – Distributions

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

(a) Any distribution received by an individual (whether resident in Singapore or not), is exempt from Singapore income tax. The tax exemption does not apply to distributions derived by individuals through a partnership in Singapore or from the carrying on of a trade, business or profession.

(b) Any distribution received by a foreign investor which has been made out of Specified Income (Part A above refers) is exempt from Singapore income tax.

 A foreign investor is:

 (i) for an individual, an individual who is not resident in Singapore;

 (ii) for a company, a company which is neither resident in Singapore nor carrying on business through a permanent establishment in Singapore, and not less than 80% of the total number of the issued shares are beneficially owned, directly or indirectly, by persons who are not citizens of Singapore and not resident in Singapore; and

 (iii) for a trust fund, a trust fund where at least 80% of the value of the fund is beneficially held, directly or indirectly, by foreign investors referred to in item (i) or (ii) above and unless waived by the Minister or such person as he may appoint, where:

  (A) the trust fund is created outside Singapore; and

  (B) the trustees of the trust fund are neither citizens of Singapore nor resident in Singapore, nor do they carry out their duties through a permanent establishment in Singapore.

(c) Distributions (made out of Specified Income listed in Part A above) to other Holders (i.e. those who are neither individuals nor foreign investors as described above) are deemed to be income of the Holders and generally subject to tax in their hands.

(d) Distributions from any non-Specified Income that are subject to tax at the trust level will not be subject to further Singapore income tax in the hands of the Holders.

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

C. Holders' level – Holding of Units

If the Specified Income of the Sub-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 ("**tax deferred Specified 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 (including those referred to in item (c) of Part B above) will be treated as having derived, on the corresponding date, an amount of income that is equal to the prescribed amount of tax deferred Specified 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 you 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 you in proportion to the total number of units of the unit trust on the relevant date.

Event	***Corresponding date***
The Sub-Fund does not meet one or more conditions of the DUT scheme for any YA	Last day of the basis period[13] 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 for the immediately preceding YA
Election for DUT tax deferral benefits to apply to income derived in only a part of the basis period 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

D. Holders' level – Disposal of Units or dissolution of Sub-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 (i.e. foreign income) and received or construed to be received in Singapore. Certain tax exemptions on foreign income may apply where conditions are satisfied.

As the tax treatment depends on your particular situation, and you should consult your own tax advisers on the tax consequences arising from distributions made by the Sub-Fund and gains arising from disposal of the Units.

If the Specified Income of the Sub-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 Sub-Fund is dissolved on or after 1 June 2015 and meets all applicable conditions of the DUT scheme for the YA for the basis period in which the dissolution occurred, then certain Holders (including those referred to in item (c) of Part B above) shall be treated as having derived, on the Sub-Fund's dissolution date, an amount of income that is

[13] "**Basis period**" for any year of assessment means the period on the profits which tax for that year falls to be assessed, in this case, financial year ended 31 March.

equal to the prescribed amount of tax deferred Specified Income that has yet to be distributed to any Holders by the Sub-Fund's dissolution date.

The prescribed amount refers to the amount that would have been distributed to you 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 you in proportion to the total number of units of the unit trust on the relevant date.

E. Trust level – Goods and Services Tax

The Sub-Fund may incur Singapore Goods and Services Tax ("**GST**") on its expenses. If it incurs GST, the Sub-Fund may be allowed to claim the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement.

As a result of the lapse of the DUT scheme with effect from 1 April 2019, existing Sub-Funds under the DUT scheme which meet all the required conditions of the DUT scheme will continue to enjoy the GST remission. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for the calendar year 2019 is 87% and that for the calendar year 2020 is 88%.

However, if the Sub-Fund does not meet the qualifying conditions, any GST incurred will become an additional cost to the Sub-Fund.

GST registration liability arising from the implementation of reverse charge

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

The reverse charge to be implemented would affect businesses that are unable to claim input tax in full. In general, a Sub-Fund is usually not able to fully claim its GST and hence, will need to consider the reverse charge requirements including the requirement to be registered for GST if the value of imported services exceed the GST registration threshold. If the Sub-Fund is registered for GST due to the requirements under the reverse charge regime, it will need to account for GST on its imported services (i.e. services procured from overseas service providers) to the tax authority.

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

20.3.2 Taxation of the Sub-Funds with Enhanced Tier Fund status and Holders in Singapore

FSIF and FAIR have been granted Enhanced Tier Fund status under Section 13X of the ITA with effect from 1 January 2015. FUCF, which currently seeks to rely on the Section 13CA Scheme (see paragraph 20.3.3 below), may apply for Enhanced Tier Fund status in the future.

The following provisions on taxation of the Sub-Funds and Holders in Singapore will apply to Sub-Funds with Enhanced Tier Fund status.

A. Enhanced Tier Fund Tax Exemption Scheme

Under Section 13X of the ITA and the Income Tax (Exemption of Income Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (collectively referred to as the "**ETF Tax Exemption Scheme**"), "specified income" derived from "designated investments" by an "approved person" will be exempt from tax in Singapore, if the "approved person" is managed by a fund manager in Singapore and certain prescribed conditions are met.

For a Sub-Fund to be approved as an "approved person" under the ETF Tax Exemption Scheme, the Sub-Fund must undertake to meet the following conditions:

(a) the Sub-Fund must have a minimum fund size of S$50 million;

(b) the Sub-Fund must be managed or advised directly throughout each basis period relating to any YA by a fund management company in Singapore, where the fund management company:

  (i) must hold a CMS licence for the regulated activity of fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, or as otherwise approved by the Minister or such other persons as he may appoint; and

  (ii) must employ at least three investment professionals ("investment professionals" refer to persons who are earning more than S$3,500 per month and must be engaging substantially in the qualifying activity, e.g. portfolio managers, research analysts and traders);

(c) the Sub-Fund must incur at least S$200,000 local business spending (according to accounting principles and includes, but is not limited to, the following expenses paid to Singapore entities: remuneration, management fees and other operating costs) in Singapore in each basis period relating to any year of assessment;

(d) the Sub-Fund must not change its investment objective/strategy after being approved for the ETF Tax Exemption Scheme unless such change is for bona fide commercial purposes and the change is approved by the Authority before the effective date of change in strategy;

(e) the Sub-Fund does not concurrently enjoy other tax incentive schemes; and

(f) other conditions in the Authority's letter of approval are met.

The condition in item (a) above is only required to be met at the point of application. The other conditions will have to be fulfilled by the Sub-Fund(s) throughout its life. In the event that the Sub-Fund(s) fails to satisfy the specific conditions (other than item (a)) for any basis period, it will not enjoy the tax exemption on "specified income" derived from "designated investments" for that basis period. The Sub-Fund(s) can, however, enjoy the tax exemption in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

In relation to income derived **on or after 19 February 2019**, "**specified income**" [14] is defined as:

Any income or gains derived from "designated investments" (see below), except the following:

(a) distributions made by a trustee of a real estate investment trust that is listed on the Singapore Exchange;

(b) distributions made by a trustee of a trust who is resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under Sections 13CA, 13G, 13O or 13X of the ITA;

[14] The list is based on the Circular No.: FDD Cir 09/2019 issued by the Authority on 7 June 2019. The changes have not been legislated at this juncture.

(c) income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and

(d) income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise..

On or after 19 February 2019[15], "**designated investments**" means:

(a) stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(b) debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities[16] issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(c) units in real estate investment trusts and exchange traded funds constituted in the form of trusts and other securities (not already covered in other items of the designated investments list) but excludes any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(d) futures contracts held in any futures exchanges;

(e) immovable property situated outside Singapore;

(f) deposits placed with any financial institution;

(g) foreign exchange transactions;

(h) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives[17];

(i) units in any unit trust, except:

  (i) a unit trust that invests in Singapore immovable properties;

  (ii) a unit trust that holds stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development); and

  (iii) a unit trust that grants loans that are excluded from (j);

(j) loans[18], except:

  (i) loans granted to any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

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[15] The list is based on the Circular No.: FDD Cir 09/2019 issued by the Authority on 7 June 2019. The changes have not been legislated at this juncture.
[16] "Non-qualifying debt securities" will refer to debt securities that do not enjoy the "Qualifying Debt Securities" tax status as defined under section 13(16) of the ITA.
[17] Financial derivatives means derivatives the payoffs of which are linked, whether in whole or in part, to the payoffs or performance of any financial assets, securities, financial instruments or indices, but excludes derivatives the payoffs of which are wholly linked to the payoffs or performance of commodities.
[18] This includes secondary loans, credit facilities and advances.

(ii) loans to finance / re-finance the acquisition of Singapore immovable properties; and

(iii) loans that are used to acquire stocks, shares, debt, or any other securities, that are issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(k) commodity derivatives[19];

(l) physical commodities if:

(i) the trading of those physical commodities by the prescribed person, approved company or approved person in the basis period for any YA is done in connection with and is incidental to its trading of commodity derivatives (referred to in this item as related commodity derivatives) in that basis period; and

(ii) the trade volume of those physical commodities traded by the prescribed person, approved company or approved person in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded in that basis period;

(m) units in a registered business trust[20];

(n) emission derivatives[21] and emission allowances;

(o) liquidation claims[22];

(p) structured products[23];

(q) Islamic financial products[24] and investments in prescribed Islamic financing arrangements under Section 34B of the ITA that are commercial equivalents of any of the other designated investments specified in this list;

(r) private trusts that invest wholly in designated investments;

(s) freight derivatives[25];

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[19] Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

[20] Registered business trust means a business trust that is registered by the Authority under section 4(1) of the Business Trusts Act.

[21] Emission derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

[22] Liquidation claims means claims or other causes of actions (including interests, rights and demands) of creditors or equity holders of any person against such person, however arising, on cash or other tangible or intangible assets, from a person upon and in connection with any insolvency proceeding of that person.

[23] Structured product means a sum of money paid on terms under which:
(a) it may not be repaid in full and the return from which is, partly or wholly, determined by the performance of any embedded derivative instrument; and
(b) its repayment may be in money or money's worth,
but does not include any sum paid in respect of any debt securities, units of a real estate investment trust, units of a unit trust, loan, stand-alone financial derivative or such financial product as the Minister may be regulations prescribe.

[24] Recognised by a Shariah council, whether in Singapore or overseas.

[25] Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

(t) publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore[26];

(u) interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;

(v) bankers' acceptances issued by financial institutions;

(w) accounts receivables and letters of credits; and

(x) interests in Tokumei Kumiai (TK) [27].

A "fund manager" for the purpose of this ETF Tax Exemption Scheme and the Section 13CA Scheme (see below) means a company holding a CMS licence under the SFA for fund management or one that is exempt under the SFA from holding such a licence. We currently hold a CMS licence to carry out fund management activities in Singapore.

B. Taxation of investors in Sub-Funds approved for Enhanced Tier Fund status

Distributions paid by the Sub-Funds will be exempt from Singapore tax in the hands of their investors.

C. Reporting obligations of Sub-Funds approved for Enhanced Tier Fund status

Under the ETF Tax Exemption Scheme, the Sub-Funds will be required to submit annual tax returns to the IRAS and annual declarations to the Authority and IRAS. The annual declaration should be submitted within 4 months of the end of the Sub-Fund(s)' financial year end.

D. Goods and Services Tax

The Sub-Fund(s) may incur Singapore GST on its expenses. If it incurs GST, the Sub-Fund may be allowed to claim the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for the calendar year 2019 is 87% and that for the calendar year 2020 is 88%.

However, if the Sub-Fund does not meet the qualifying conditions, any GST incurred will become an additional cost to the Sub-Fund.

GST registration liability arising from the implementation of reverse charge

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

The reverse charge to be implemented would affect businesses that are unable to claim input tax in full. In general, a fund is usually not able to fully claim its GST and hence, will need to consider the reverse charge requirements including the requirement to be registered for GST if the value of imported services exceed the GST registration threshold. If the fund is registered for GST due to the requirements under the reverse

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

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

charge regime, it will need to account for GST on its imported services (i.e. services procured from overseas service providers) to the tax authority.

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

20.3.3 Taxation of the Sub-Funds relying on Section 13CA Scheme and Holders in Singapore

FUCF will seek to rely on the Section 13CA scheme until such time it applies and is approved for the Enhanced Tier Fund status (see paragraph 20.3.2 above).

The following provisions on taxation of the Sub-Fund(s) and Holder(s) in Singapore will apply to Sub-Fund(s) relying on the Section 13CA scheme.

A. The Section 13CA Scheme

Under Section 13CA of the ITA and Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 ("**13CA Regulations**") (collectively referred to as the "**Section 13CA Scheme**"), "specified income" derived from "designated investments" by a "prescribed person" will be exempt from tax in Singapore, if the "prescribed person" is managed by a fund manager in Singapore and certain prescribed conditions are met.

In order for the Section 13CA Scheme to apply, the Sub-Fund(s) must be a "prescribed person".

"**Prescribed person**", in relation to a trust, means a trust where the trustee of the trust:

(a) does not have a permanent establishment in Singapore (other than due to its functions as the trustee of that trust fund, or the presence of a fund manager or any other person who acts on behalf of the trustee in carrying out its functions as the trustee of that trust fund);

(b) does not carry on a business in Singapore (other than due to its functions as the trustee of that trust fund); and

(c) is not a trustee the income of which is derived from investments which have been transferred to him in his capacity as a trustee of that trust fund (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax.

The tax exemption under the Section 13CA Scheme will not apply to the following funds:

(a) a trust that is a pension or provident fund which is approved under Section 5 of the ITA;

(b) a designated unit trust as defined in Section 35(14) of the ITA;

(c) a real estate investment trust as defined in Section 43(10) of the ITA; and

(d) a company or trust which is approved under the Section 13X scheme.

The sunset clause for the Section 13CA Scheme is 31 December 2024. It has been announced in the Circular FDD Cir 09/2019 dated 7 June 2019 issued by the Authority that all funds that are on the Section 13CA Scheme on 31 March 2024 will continue to enjoy the tax exemption after 31 March 2024, subject to them meeting all the conditions under the Section 13CA Scheme.

"**Specified income**", "**designated investments**" and "**fund manager**" have the same definitions as that defined in paragraph 20.3.2 above.

B. Taxation of investors in Sub-Funds relying on the Section 13CA Scheme

Provided that the Sub-Fund qualifies for the Section 13CA Scheme, Holders should note that under certain circumstances, they may be obliged to pay a penalty to the IRAS if they do not meet certain conditions (i.e. they are considered to be "Non-Qualifying Relevant Owners"). This is known as the "Qualifying Relevant Owner test".

It has been announced in Circular FDD Cir 09/2019 dated 7 June 2019 issued by the Authority that a unit trust which is constituted on or after 1 April 2019 and meet the definition below will be granted a waiver from the Qualifying Relevant Owner test for the first two years of assessment from the date of its constitution.

In order to be eligible for the waiver, the Sub-Fund has to be a retail unit trust, i.e. a unit trust which is included under the Central Provident Fund Investment Scheme (CPFIS) or which meets all of the following conditions:

(a) the Sub-Fund is a collective investment scheme (CIS) that is authorised under Section 286 of the SFA and the units of which are open to public for subscription;

(b) the Sub-Fund is not a real estate investment trust (REIT) or a property trust that invests directly in Singapore immovable properties; and

(c) the trustee of the Sub-Fund is tax resident in Singapore.

FUCF, subject to meeting the conditions under the Section 13CA Scheme, will seek to rely on this waiver for its first two years of assessment.

A Holder in the Sub-Fund ("**Relevant Owner**") will be a Non-Qualifying Relevant Owner if the Holder:

(i) either alone or together with his associates[28], beneficially owns on the last day of the financial year of the Sub-Fund relating to the year of assessment (the "**Relevant Day**"), the value in the Sub-Fund which is more than the prescribed percentage of the total value of the Sub-Fund on the Relevant Day. The "prescribed percentage" is 30% if the Sub-Fund has fewer than ten Relevant Owners; and 50% if the Sub-Fund has at least ten Relevant Owners (the "**Prescribed Percentages**"); and

(ii) does not fall within any of the following categories:

    (a) an individual;

    (b) a bona fide entity[29] not resident in Singapore who does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore;

    (c) a bona fide entity not resident in Singapore (excluding a permanent establishment in Singapore) who carries on an operation in Singapore

[28] The term "associate" is defined in the 13CA Regulations. Investors should take note of this aggregation rule. Investors should also note that for the purposes of determining whether other investors of a qualifying fund who are connected with them are associates under this aggregation rule, shareholdings of non-resident non-individual investors connected to them may be aggregated (notwithstanding that these persons are themselves "qualifying investors") in assessing whether the relevant thresholds have been exceeded.

[29] A "bona fide entity" means an entity that is not a non-bona fide entity. A "non-bona fide entity" means a person not resident in Singapore (excluding a permanent establishment in Singapore) who:
(i) is set up solely for the purpose of avoiding or reducing payment of tax or penalty under the ITA; or
(ii) does not carry out any substantial business activity for a genuine commercial reason.

through a permanent establishment in Singapore where the funds used to invest directly or indirectly in the fund are not obtained from its Singapore operations;

(d) a designated person[30];

(e) an approved company under Section 13R of the ITA in certain situations; or

(f) an approved person under Section 13X of the ITA, in certain situations.

A Non-Qualifying Relevant Owner will have to pay a penalty to the IRAS. If applicable, the penalty is calculated based on (a) the percentage of the value of the Sub-Fund beneficially owned by the Non-Qualifying Relevant Owner as at the Relevant Day of the Sub-Fund, multiplied by (b) the income of the Sub-Fund as reflected in the audited / certified financial statements for that financial year ("**Non-Qualifying Relevant Owner Income**") and multiplied by (c) the applicable corporate tax rate (currently, 17%). Non-Qualifying Relevant Owners are obliged to declare and pay their penalty in their own Singapore income tax return for the relevant year of assessment.

Whether a Relevant Owner is a Non-Qualifying Relevant Owner will be determined on the Relevant Day. If the Non-Qualifying Relevant Owner can prove to the IRAS that the applicable Prescribed Percentages were exceeded for reasons beyond his reasonable control, the IRAS may allow him a three-month grace period from the last day of the financial year of the Sub-Fund to reduce his percentage of ownership in the Sub-Fund to meet the Prescribed Percentages.

The taxation of distributions by the Sub-Fund and gains on redemption of the Units derived by Holders will depend on particular situation of the Holders. This is notwithstanding that the Holders may have paid a penalty to the IRAS.

C. Reporting obligations

Under the Section 13CA Scheme, we also have certain reporting obligations.

To enable Holders to determine the value they own in the Sub-Fund in respect of any financial year of the Sub-Fund, we are required to provide the following information (either through the issuance of an annual statement or by publishing the information on our website) (whichever method is chosen needs to be applied consistently) to each Holder:

(a) the gains or profit of the Sub-Fund for that financial year as per the Sub-Fund's audited / certified financial statements for that financial year;

(b) the total value of the Sub-Fund as at the Relevant Day;

(c) the total value of the Sub-Fund held by the Holder concerned as at the Relevant Day; and

(d) whether the Sub-Fund has fewer than 10 Holders as at the Relevant Day.

We are also required to submit a declaration to the IRAS within one month after the date of issue of the audited / certified financial statements of the Sub-Fund relating to any financial year in which the Relevant Day falls if, for a particular financial year of the Sub-Fund, there are any Non-Qualifying Relevant Owners, and furnish the IRAS with their details. In this regard, Holders should note that they are each responsible for the computation of the aggregate value of the Sub-Fund held by them and their associates and may be required by us to disclose this status and computation to us from time to time.

[30] A "designated person" refers to specified Singapore government entities.

D. Goods and Services Tax

The Sub-Fund may incur Singapore GST on its expenses. If it incurs GST, the Sub-Fund may be allowed to claim the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for the calendar year 2019 is 87% and that for the calendar year 2020 is 88%.

However, if the Sub-Fund does not meet the qualifying conditions, any GST incurred will become an additional cost to the Sub-Fund.

GST registration liability arising from the implementation of reverse charge

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

The reverse charge to be implemented would affect businesses that are unable to claim input tax in full. In general, a Sub-Fund is usually not able to fully claim its GST and hence, will need to consider the reverse charge requirements including the requirement to be registered for GST if the value of imported services exceed the GST registration threshold. If the Sub-Fund is registered for GST due to the requirements under the reverse charge regime, it will need to account for GST on its imported services (i.e. services procured from overseas service providers) to the tax authority.

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

20.4 Investment restrictions

The Sub-Funds (except FSCF and FUCF) are subject to the investment guidelines issued by the Authority under Appendix 1 of the Code (the "**Core Investment Guidelines**").

The Authority has granted FPF a waiver of certain provisions of the Core Investment Guidelines. Subject to the conditions imposed by the Authority, FPF may invest in private equity funds, capped at 10% of its Net Asset Value in aggregate with the alternative exposures allowed under paragraph 2.13 of the Core Investment Guidelines.

FSCF and FUCF are subject to the investment guidelines applicable to money market funds issued by the Authority under Appendix 2 of the Code (the "**Money Market Funds Investment Guidelines**").

The Core Investment Guidelines and the Money Market Funds Investment Guidelines may be found at the Authority's website: www.mas.gov.sg. Please note that the Authority may update or amend these investment guidelines.

A Sub-Fund which is an EIP will be subject to restrictions on its investments and limits on certain transactions as set out in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.

20.5 Holders' right to vote

Subject to the provisions in the Deed, Extraordinary Resolutions[31] may be passed in meetings of Holders to effect certain changes to the Fund, the Sub-Funds and/or Classes. Please refer to Sections 2.1 and 2.2 of the Schedule to the Deed for details.

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[31] An Extraordinary Resolution means 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. An Extraordinary Resolution of Holders duly passed shall be binding on all Holders entitled to receive notice of the meeting whether or not present at the relevant meeting.

20.6 Termination and change of jurisdiction

Although the Fund, Sub-Funds and Classes are of indeterminate duration, they may be terminated in accordance with Clause 35 of the Deed. Termination can arise from the giving of notice to affected Holders, a change of law, the insolvency, retirement or removal of the Managers and/or the Trustee, the passing of an Extraordinary Resolution by Holders, or the Net Asset Value falling below a certain amount. Holders will be informed of the termination at least 3 months (for FSTIR, FSCF and FABF) and 1 month (for FSBF, FSIF, FDSA, FDSB, FAIR, FUSIF, FPF, FSHG, FSHB, FSHI and FUCF) in advance. Please refer to the Deed for details.

The Trustee may (with our consent) remove the Fund and the Sub-Funds to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders to do so. The circumstances in which the Trustee may exercise this are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market in Singapore.

20.7 Valuation

20.7.1 Except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, the value of the assets comprised in each Sub-Fund with reference to any Authorised Investment which is:

(i) a Quoted Investment, will be calculated by reference to the official closing price, the last known transacted price or the last transacted price on the Recognised Stock Exchange or OTC Market on which the Quoted Investment is traded on or before the Valuation Point in respect of the Dealing Day for 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, we (or such person as we will appoint for the purpose) may in our absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes;

(ii) an Unquoted Investment, will be calculated by reference to, where applicable: (a) the initial value thereof being the amount expended in the acquisition thereof; (b) the last available prices quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or OTC Market at the time of calculation (or at such other time as we may determine after consultation with the Trustee), and where there is no Recognised Stock Exchange or OTC Market, 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 will be more than one such market maker then such market maker as we may designate); (c) the sale prices of recent public or private transactions in the same or similar investments; or (d) valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Unquoted Investment, and in the valuation of such Unquoted Investment, we may take into account relevant factors including, without limitation, significant relevant events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;

(iii) cash, deposits and similar assets will be valued (by an Approved Valuer) at their face value (together with accrued interest) unless, in our opinion (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;

(iv) a unit or share in a unit trust, mutual fund or collective investment scheme will 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

(v) an Investment other than as described above, will be valued (by a person approved by the Trustee as being qualified to value such assets) in such manner and at such time as we, after consultation with the Trustee, will determine,

provided that, if the quotations referred to in paragraphs (i) or (ii) above are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs (i) or (ii) above, in our opinion, is not representative, then the value will be such value as we may, with due care and in good faith, consider in the circumstances to be fair value and is approved by the Trustee and we will notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the "fair value" will be determined by us in consultation with an Approved Valuer and with the Trustee's approval. In exercising in good faith the discretion given by the proviso above, we will not, subject to the provisions of the Code, assume any liability towards the Fund, and the Trustee will not be under any liability in accepting our opinion, notwithstanding that the facts may subsequently be shown to have been different from those assumed by us.

20.7.2 In calculating the Net Asset Value of any Sub-Fund or Class of a Sub-Fund (where relevant) or any proportion thereof:

(i) every Unit relating to such Sub-Fund or Class of a Sub-Fund agreed to be issued by us will be deemed to be in issue and the Deposited Property of such Sub-Fund will be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or other assets to be received in respect of Units of such Sub-Fund or Class of a Sub-Fund agreed to be issued after deducting therefrom or providing thereout the Preliminary Charge (if any) relating to such Sub-Fund or Class of a Sub-Fund and (for Units issued against the vesting of Authorised Investments) any moneys payable out of the Deposited Property pursuant to Clause 11 of the Deed;

(ii) 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 will 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; and

(iii) where in consequence of any notice or request in writing given pursuant to Clause 12, 13 or 14 of the Deed, a reduction of such Sub-Fund or Class of a Sub-Fund by the cancellation of Units of such Sub-Fund or Class of a Sub-Fund is to be effected but such reduction has not been completed, the Units of such Sub-Fund or Class of a Sub-Fund in question will 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 of such Sub-Fund will be deducted from the Net Asset Value of such Sub-Fund or Class of a Sub-Fund.

20.7.3 In calculating the Net Asset Value of any Sub-Fund or Class of a Sub-Fund (where relevant), there will be deducted or added, as applicable, any amounts not provided for above which are payable out of the Deposited Property of such Sub-Fund or Class of a Sub-Fund including:

(i) any amount of management fee, the remuneration of the Trustee, the custodian fees, the valuation agent's fees, the registrar's agent's fees, the securities transaction fees, the setting-up fee of the Managers, the inception fee of the Trustee and any other expenses accrued but remaining unpaid attributable to such Sub-Fund or Class of a Sub-Fund;

(ii) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) accrued and remaining unpaid attributable to such Sub-Fund or Class of a Sub-Fund;

(iii) the aggregate amount for the time being outstanding of any borrowings for the account of such Sub-Fund or Class of a Sub-Fund effected under Clause 17.3 of the Deed together with the amount of any interest and expenses thereon accrued pursuant to Clause 17.3.5 of the Deed and remaining unpaid;

(iv) all such costs, charges, fees and expenses as we may determine pursuant to the provisions of the Deed attributable to such Sub-Fund or Class of a Sub-Fund;

(v) there will be taken into account such sum as in our estimate will fall to be paid or reclaimed in respect of taxation related to income up to the time of calculation of the Net Asset Value of the Deposited Property of such Sub-Fund or Class of a Sub-Fund;

(vi) there will be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received attributable to such Sub-Fund or Class of a Sub-Fund;

(vii) any value (whether of an Authorised Investment, cash or a liability) otherwise than in the currency the relevant Sub-Fund or Class of a Sub-Fund is denominated in (in this sub-paragraph, the "**relevant currency**") and any borrowing which is not in the relevant currency will be converted into the relevant currency at the rate (whether official or otherwise) which we will, 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;

(viii) 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; and

(ix) there will be taken into account such estimated sum approved by the Trustee as in our opinion represents provision for any nationalisation, expropriation, sequestration or other restriction relating to the Deposited Property of such Sub-Fund.

20.8 Dilution Adjustment

The Sub-Funds are single priced and may fall in value due to the transaction costs incurred in the purchase and sale of underlying investments (such costs could include but are not limited to dealing spreads, broker commissions, custody transaction costs, stamp duties or sales taxes) caused by significant transactions (e.g. subscriptions, switches and/or realisations) made by Holders of the relevant Sub-Fund. This effect is known as "dilution".

In order to counter dilution and to protect the Holders' interests, we may apply a technique known as "dilution adjustment" or "swing pricing" by adjusting the Net Asset Value of the Sub-Fund so that the transaction costs caused by significant transactions are, as far as practical, passed on to the active investors (i.e. those who are subscribing, switching and/or realising on a particular Dealing Day). Consequently, in certain circumstances, we will make adjustments in the calculations of the Net Asset Values, to counter the impact of dealing and other costs on occasions when these are deemed to be significant ("**Dilution Adjustment**"). Dilution Adjustment only reduces the effect of dilution and does not eliminate it entirely.

Dilution Adjustment will not be applied if the net transaction on each Dealing Day does not exceed the threshold as a percentage of the previous Dealing Day's Net Asset Value (the "**Threshold**"). The need to apply Dilution Adjustment will depend upon the net value of subscriptions, switches and/or realisations received by the Sub-Fund on each Dealing Day. This could increase the variability of a Sub-Fund's return which is computed based on the Net Asset Value after application of Dilution Adjustment. To minimise the impact to the variability of a Sub-Fund's returns, we reserve the right to apply Dilution Adjustment where the Sub-Fund experiences a net transaction which exceeds the Threshold. Applying Dilution Adjustment only when the net transaction exceeds the Threshold reduces the impact to the variability of a Sub-Fund's returns. However, dilution arising from a net transaction that is below the Threshold may not be reduced. The Threshold will be set with the objective of protecting the Holders' interest while minimising impact to the variability of the Sub-Fund's return by ensuring that the Net Asset Value is not adjusted where the dilution impact on the Sub-Fund is not significant.

We have the discretion to determine and vary the Threshold from time to time. The Threshold may be applied on one or more Sub-Funds and may also vary between them due to differences between each Sub-Fund's characteristics.

We may also make a discretionary Dilution Adjustment if, in our opinion, it is in the interest of the Sub-Fund to do so (such as during times of stress in the markets).

Where a Dilution Adjustment is made, it will typically increase the Net Asset Value when there are net subscriptions into the Sub-Fund and decrease the Net Asset Value when there are net realisations. The Net Asset Value of each Class in the Sub-Fund will be calculated separately but any Dilution Adjustment will, in percentage terms, affect the Net Asset Value of each Class identically.

As dilution is related to the net subscription and net realisation of a Sub-Fund, dilution may occur in the future. Consequently, it is not possible to accurately predict how frequently we will need to make such Dilution Adjustment. Dilution Adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, which may vary with market conditions. This means that the amount of the Dilution Adjustment may vary over time but normally will not exceed 2% of the relevant Net Asset Value. We reserve the right to increase or vary the amount of Dilution Adjustment without giving notice to the relevant Holders.

We intend to adopt Dilution Adjustment for FSTIR and FSIF (with effect from 22 July 2015) and for FUSIF.

Please refer to the Annexes for these Sub-Funds on the impact of Dilution Adjustment on the Net Asset Value.

20.9 Liquidity risk management

Liquidity risk management is an integral part of our overall risk management programme.

We rely on independent risk management teams to identify, monitor and manage the liquidity risks of the portfolios on an on-going basis. Portfolio managers are provided with liquidity reports to manage their portfolios, and would be engaged by the Risk team on any liquidity and risk-related issues. Any significant risk issue is escalated to the Risk and Compliance Committee where the majority of the committee members are functionally independent from the investment management function. The Risk and Compliance Committee reports to the Audit and Risk Committee which is delegated by the Board to oversee the Risk Management function.

We deploy a proprietary risk model to quantify liquidity risk by taking into consideration, different determinants of liquidity for the individual securities. Key liquidity metrics are the time to liquidate (also known as the liquidity profile) and liquidation cost at the security and Sub-Fund levels. In addition, historical redemption patterns are considered in assessing the ability of the Sub-Funds in meeting redemption requests. Liquidity stress tests based on stress scenarios are also performed. Any significant adverse results are reported to the Risk and Compliance Committee.

This framework enables us to assess, review and determine any necessary course of action at short notice to deal with large redemptions or liquidity stressed market conditions, by employing one or more of the following tools, subject to the restrictions and applicability to the Sub-Funds:

- We reserve the right not to be bound to redeem on any one Valuation Day if daily redemption requests exceed limits stated in Paragraph 12.1.
- We may apply a swing pricing mechanism by adjusting the Net Asset Value per Share for certain Sub-Funds stated in Paragraph 12.2.2(iii) in order to reduce the effect of “dilution” and apply dealing costs to transacting investors.
- We may suspend the valuation and hence the issue, redemption or switching of Units of any Sub-Fund in certain circumstances.

Please note that there is a risk that the tools outlined above may not be able to fully mitigate liquidity and redemption risk, especially when there is a liquidity and/or market event. We shall, where applicable, consult the Trustee before application of fund redemption gates.

20.10 The Deed

Please read the Deed for other details and provisions relating to the Fund. In particular, Clauses 26 to 28 of the Deed provide for the exclusion of liability of the Managers and the Trustee.

20.11 Professional indemnity insurance

We will maintain professional indemnity insurance polic(ies) as required under our fund management licence.

21. Queries and Complaints

If you have questions concerning the Fund or your investment in the Sub-Funds, you may contact us at telephone number: 6808 4688 or email: info@fullerton.com.sg.

Annex 1 – Fullerton Short Term Interest Rate Fund

A. Investment Objective

The investment objective of FSTIR is to achieve medium-term capital appreciation for the Holders. The investments of FSTIR will be broadly diversified with no specific industry or sectoral emphasis.

B. Investment Focus and Approach

The investment strategy of FSTIR is to maximise returns via investment in Singapore Dollar and foreign currency denominated fixed income securities, of up to 5 years tenure, and money market instruments. The foreign currency denominated fixed income securities will be fully hedged back to the Singapore Dollar except for a 1% frictional currency limit (to account for possible deviations from a 100% hedge), and will have investment-grade credit ratings of at least BBB- by Standard and Poor's or Baa3 by Moody's (or their respective equivalents). The investments are to be made after analysing historic and expected interest rate movements.

FSTIR may also invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio.

C. Base Currency

The base currency of FSTIR is the Singapore Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A*	S$	Available for subsequent subscriptions by existing Holders of Class A Units of FSTIR only. Not available for new or initial subscriptions by other investors.	S$100,000	S$100,000
Class B*	S$	Available for subscription generally. No switching from Class B to Class A of FSTIR.	S$1,000,000	S$100,000
Class B1*	S$	Available for subscription generally. No switching from Class B1 to Class A of FSTIR.	S$100,000	S$10,000
Class C*	S$	Available for subscription generally. No switching from Class C to Class A of FSTIR.	None	None
Class D (US$-Hedged)^	US$	Available for subscription generally. No switching from Class D (US$-Hedged) to Class A of FSTIR.	None	None
Class R*	S$	Class R Units are available to retail investors in certain circumstances when investing through distributors, financial advisors, platforms or other intermediaries (each an "**Intermediary**" and together the "**Intermediaries**") on the basis of a separate agreement or fee arrangement between the investor and an Intermediary, to which we and	S$100,000	None

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
		the Trustee are not a party to or liable under. For the avoidance of doubt, (i) Class R Units may be offered in jurisdictions where the Intermediaries or their nominees do not require commission or are not eligible to receive commission under the adviser charging rules, and (ii) Preliminary Charge for Class R Units will not be paid to Intermediaries.		

* Denotes availability for SRS subscription.

^ Please note that the class currency of Class D (US$-Hedged) will be hedged against the base currency of FSTIR (S$). Please see "Currency Risk" section below for details.

There is no minimum amount for partial realisations for each Class of FSTIR.

F. Fees and Charges

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund[(b)]	
Trustee Fee, Registrar Fee and Valuation Fee[(c)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$15,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.1% p.a., Maximum 0.2% p.a. Class B Units: Currently 0.2% p.a., Maximum 0.2% p.a. Class B1 Units: Currently up to 0.5% p.a., Maximum 1.0% p.a. Class C Units: Currently 0.5% p.a., Maximum 1.0% p.a. Class D (US$-Hedged) Units: Currently 0.5% p.a., Maximum 1.0% p.a. Class R Units: Currently 0.3% p.a., Maximum 1.0% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(d)] (payable to the Auditors), custody and transaction fees[(e)] (payable to the Trustee and the Custodian) and other fees and charges[(f)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable).

The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

(b) With effect from 22 July 2015, for fees payable by the Sub-Fund and calculated based on the Net Asset Value, such fees will be computed before taking into account any Dilution Adjustment. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

(c) The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

(d) The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

(e) The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1%based on the average Net Asset Value of the Sub-Fund for that financial year.

(f) "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1%based on the average Net Asset Value of the Sub-Fund for that financial year.

G. Specific Risks of Investments in FSTIR

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

FSTIR may be affected favourably or unfavourably by changes in currencies and exchange control regulations. The income earned by FSTIR may be affected by fluctuations in foreign exchange rates. We may manage the currency risk by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSTIR may not be fully hedged.

For Class D (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSTIR (S$) but this may not be fully hedged. The hedging of FSTIR Class D (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(2) Interest Rate Risk

Investments in fixed income securities are subject to interest rate fluctuations. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes.

(3) Credit Risk

Investments in debt securities are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of Units of FSTIR. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(4) Liquidity Risk

We anticipate some liquidity risk in the Singapore fixed income markets owing to the portfolio size of FSTIR relative to the size of the markets. Liquidity may restrict the ease with which such securities may be bought or sold.

(5) Risk Associated with Income for Distribution

Please note that the income of FSTIR (if any) will be distributed to Holders in our absolute discretion. Sources of income for distribution include dividend and/or interest income derived from the securities of companies and/or Singapore Dollar denominated fixed income securities in which FSTIR invests. Such dividend and/or interest income may be adversely affected by events such as the relevant companies suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(6) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, over-the-counter options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FSTIR and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FSTIR. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

The above is not an exhaustive list of risks to consider before investing. FSTIR may be exposed to other risks of an exceptional nature.

H. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
FSTIR (Class A) (S$) Inception: 9 Sep 2004					
Single NAV (adjusted)	1.51	1.70	2.32	3.39	3.31
Single NAV (unadjusted)	4.55	2.71	2.93	3.70	3.51
Benchmark	1.75	1.27	1.06	0.69	1.07
FSTIR (Class B) (S$) Inception: 4 Jun 2008					
Single NAV (adjusted)	1.40	1.60	2.22	3.30	3.52
Single NAV (unadjusted)	4.45	2.61	2.83	3.61	3.79
Benchmark	1.75	1.27	1.06	0.69	0.68
FSTIR (Class B1) (S$) Inception: 9 Nov 2009					
Single NAV (adjusted)	1.25	1.45	2.07	-	3.08
Single NAV (unadjusted)	4.29	2.45	2.67	-	3.39
Benchmark	1.75	1.27	1.06	-	0.69
FSTIR (Class C) (S$) Inception: 25 Sep 2009					
Single NAV (adjusted)	1.10	1.29	1.91	2.98	3.00
Single NAV (unadjusted)	4.13	2.30	2.52	3.28	3.30
Benchmark	1.75	1.27	1.06	0.69	0.69
FSTIR (Class D (US$-Hedged)) (US$) Inception: 15 Sep 2016					
Single NAV (adjusted)	1.83	1.93	-	-	1.96
Single NAV (unadjusted)	4.89	2.94	-	-	2.96
Benchmark	2.40	1.77	-	-	1.75
FSTIR (Class R) (S$) Inception: 29 Oct 2015					
Single NAV (adjusted)	1.30	1.50	-	-	2.00
Single NAV (unadjusted)	4.34	2.50	-	-	2.77
Benchmark	1.75	1.27	-	-	1.20

Source: Fullerton Fund Management Company Ltd.

The benchmark is the **3-month Singapore Interbank Bid Rate (SIBID)**.

For greater transparency and consistency with industry practice, we have revised the benchmark computation methodology. The arithmetic methodology is used for the computation of cumulative returns for the period from 9 September 2004 to 30 September 2009, and the geometric methodology is used for the period from 1 October 2009.

To counter the impact of significant net transactions on any Dealing Day, we may, with effect from 22 July 2015, apply Dilution Adjustment in the calculations of the Net Asset Value. Performance figures from that date are calculated after taking into account any Dilution Adjustment. Therefore, the returns of FSTIR may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of the underlying investments of FSTIR. The use of Dilution Adjustment to calculate performance returns may increase the variability of FSTIR's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

I. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FSTIR is:

Class	Expense Ratio
Class A	**0.12**%
Class B	**0.22**%
Class B1	**0.37**%
Class C	**0.52**%
Class D (US$-Hedged)	**0.52**%
Class R	**0.33**%

The turnover ratio of FSTIR is **23.91**%.

J. Product Suitability

Investing in FSTIR is only suitable for investors who:

(a) seek medium-term capital appreciation; and

(b) are looking for a broadly diversified fund which invests primarily in fixed income securities and money market instruments with no specific industry or sectoral emphasis.

Annex 2 – Fullerton SGD Cash Fund

A. Investment Objective of FSCF

The investment objective of FSCF is to provide investors with liquidity and a return that is comparable to that of the Singapore Dollar Banks Saving Deposits rate.

B. Investment Focus and Approach of FSCF

FSCF intends to hold its assets primarily in Singapore Dollar deposits with eligible financial institutions as defined in the Money Market Funds Investment Guidelines (the "**Eligible Financial Institutions**")[32], with varying terms of maturity of not more than 366 calendar days.

FSCF may also place deposits of varying maturity tenures exceeding 366 calendar days but not more than 732 calendar days, subject to a maximum of 10% of its Net Asset Value.

We will apply the Money Market Funds Investment Guidelines in our management of FSCF. We presently do not intend to use FDIs for FSCF.

C. Base Currency

The base currency of the FSCF is the Singapore Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A*	S$	Available for subscription generally.	None	None
Class B	S$	Currently intended to be offered and made available only to our affiliated or related companies and such other persons and entities as we may determine in our absolute discretion.	S$1 million ^	S$1 million ^

* Denotes availability for SRS subscription.

^ This may be waived or varied in our absolute discretion.

Switching into or out of FSCF is not permitted except for switching from or into FUCF (which may be permitted subject to our absolute discretion).

Subject to the relevant Minimum Holding, the minimum amount for partial realisations for each of Class A and Class B of FSCF is S$100 or 100 Units (or such number of Units or amounts as we may determine in our absolute discretion).

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[17] An "**eligible financial institution**" is presently defined in the Money Market Funds Investment Guidelines as:
(i) a financial institution which has a minimum short-term rating of F-2 by Fitch Inc, P-2 by Moody's or A2 by Standard and Poor's (including such sub-categories or gradations therein); or
(ii) a financial institution rated other than by the credit rating organisations specified in (i) above for which we have satisfied the Trustee that its short-term rating is comparable to the ratings in (i) above; or
(iii) a Singapore-incorporated bank licensed under the Banking Act (Chapter 19 of Singapore) which is not rated, but has been approved under the Central Provident Fund Investment Scheme to accept fixed deposits.

F. Fees and Charges

Fees and Charges Payable by Holder[a]	
Preliminary Charge	Currently 0% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund[b]	
Trustee Fee, Registrar Fee and Valuation Fee[c]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$15,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.25% p.a.; Maximum 0.35% p.a.. (Note: We intend to waive 0.15% p.a., giving an effective rate of 0.1% p.a..) Class B Units: Such amount as we may determine in our absolute discretion.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[d] (payable to the Auditors), custody and transaction fees[e] (payable to the Trustee and the Custodian) and other fees and charges[f]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[a] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the “Current” amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the “Maximum” amount as stated above.

[b] We presently intend to cap the expense ratio at 0.35% p.a. of the Deposited Property of FSCF. This cap may be increased at our discretion subject to us giving at least 1 month's prior notice to Holders. We will bear any expenses beyond the cap.

[c] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[d] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[e] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

(f) "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

G. Specific Risks of Investments in FSCF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Interest Rate Risk

The value of Units of FSCF may fluctuate in response to changes in interest rates. Investments in Singapore Dollar deposits or other high-quality money market instruments and debt securities may decline in value as interest rates change. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises.

(2) Default Risk

Investments in deposits with financial institutions are subject to adverse changes in the financial conditions of such institutions, or in general economic conditions, or both, which may impair the ability of such institutions to make payments of interest and principal. Such institutions' ability to meet their obligations may also be adversely affected by their operation, performance or winding-up, which may increase the potential for default by such institutions.

(3) Risks of Historical Pricing

Please note that Units in FSCF are issued and realised on a historical pricing basis (as provided in Paragraphs 11.4.2(ii) and 12.2.2(ii)). The issue and realisation of such Units on a Dealing Day will be based on the Net Asset Value per Unit of FSCF determined as at the close of business on the calendar day immediately preceding that Dealing Day on which Units are issued or realised, or on such day or such other time as may be determined by us with the approval of the Trustee. As such, the Issue and Realisation Prices may not be reflective of the actual Net Asset Value of the Units as at the date of issue or realisation. Any adjustments or shortfalls as a result will be borne by FSCF.

(4) Liquidity Risk

While the objective of FSCF is to provide investors with liquidity, it is subject to the realisation gate that limits the total number of Units of FSCF to be realised on each Dealing Day to 25% (as described at Paragraph 12.1).

The above is not an exhaustive list of risks to consider before investing. FSCF may be exposed to other risks of an exceptional nature.

H. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FSCF (Class A) (S$) Inception: 3 Feb 2009					
Single NAV	1.71	1.22	1.04	0.70	0.70
Benchmark	0.16	0.16	0.15	0.13	0.14
FSCF (Class B) (S$) Inception: 14 Jul 2009*					
Single NAV	1.82	-	-	-	1.78
Benchmark	0.16	-	-	-	0.16

Source: Fullerton Fund Management Company Ltd.

The benchmark is the **Singapore Dollar Banks Saving Deposits Rate**, which can be accessed from the Authority's website at:

https://secure.mas.gov.sg/msb/InterestRatesOfBanksAndFinanceCompanies.aspx

The "**Single NAV**" performance figures are calculated on a bid-to-bid basis, with net dividends and distributions (if any) reinvested, in Singapore Dollars. No Preliminary Charge and Realisation Charge are currently imposed in respect of FSCF.

* The inception date for Class B is the date on which the first Net Asset Value is available for this Class. This Class did not have any Net Asset Value computation between 22 January 2018 and 9 August 2018 ("**dormant period**") as it had no investors during that period. This Class was re-incepted on **10 August 2018** upon receipt of fresh investments. The stated performance figures are computed from the re-inception of the Class on 10 August 2018 after the dormant period. The performance figures prior to the dormant period or starting from the first inception of the Class are not shown, as it would not be a true indication or proxy of the actual performance of the Class from the first inception of the Class.

I. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FSCF is:

Class	Expense Ratio
Class A	**0.15**%
Class B	**0.05**%

The turnover ratio of FSCF is **2,838.25**%.

J. Product Suitability

Investing in FSCF is only suitable for investors who are looking for a cash fund which provides a return comparable to that of the Singapore Dollar Banks Saving Deposits rate.

Annex 3 – Fullerton Asian Bond Fund

A. Investment Objective of FABF

The investment objective of FABF is to generate long-term capital appreciation for investors. This is achieved by investing all or substantially all of its assets in Fullerton Lux Funds – Asian Bonds ("**LABF**"), a sub-fund of Fullerton Lux Funds.

B. Investment Focus and Approach of FABF

We intend to invest in the Class I - USD share class of LABF, which is denominated in US$.

The investment objective of LABF is to generate long-term capital appreciation for investors. As the investment manager of LABF, we seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

LABF will invest using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning.

C. Managers of LABF

Lemanik Asset Management S.A. has been appointed as the management company ("**Management Company**") of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the Commission de Surveillance du Secteur Financier ("**CSSF**"). The Management Company has managed collective investment schemes or discretionary funds since 2006.

The Management Company has fully delegated its investment management functions to us and have appointed us as the investment manager of LABF. Our details are set out in Paragraph 2.

D. Use of Financial Derivative Instruments

We may use FDIs for hedging and efficient portfolio management purposes (namely, managing risks).

LABF may employ FDIs as part of its investment strategy or for efficient portfolio management or hedging purposes. FDIs may be employed to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, index-linked notes and/or a combination of the above.

The global exposure of LABF is calculated using the commitment approach, as detailed in laws and regulations applicable to it.

The use of FDIs may lead to a higher volatility in the price of shares of LABF and may increase LABF's counterparty risk.

E. Base Currency

The base currency of the FABF is the US Dollar.

F. Distribution Policy

Distributions (if any) may be declared in our absolute discretion. Distributions may be made out of the capital of FABF. Please note the risks of distributions out of capital as described in Paragraph 10.1.13.

G. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A	US$	Available for subscription generally.	US$10,000	US$10,000
Class B*	S$	Available for subscription generally.	None	None
Class C	US$	Currently intended to be offered and made available only to our affiliated or related companies and such other persons and entities as we may determine in our absolute discretion.	US$1 million^	US$1 million^
Class D (RMB-Hedged)**	RMB	Available for subscription generally.	RMB50,000	RMB50,000
Class E	US$	Available for subscription generally.	US$10,000	US$10,000
Class F*	S$	Available for subscription generally.	None	None
Class G (RMB-Hedged)**	RMB	Available for subscription generally.	RMB50,000	RMB50,000
Class J1	¥	Currently intended to be offered and made available only to investors which are fund of funds. No switching from Class J1 to any other Class of FABF or to any other Sub-Fund or Class of any other Sub-Fund is permitted without our prior consent.	¥ 1 million	¥ 1 million
Class J2	¥	Available for subscription generally.	¥ 1 million	¥ 1 million

* Denotes availability for SRS subscription.

^ This may be waived or varied in our absolute discretion.

** Please note that the class currency of Class D (RMB-Hedged) and Class G (RMB-Hedged) will be hedged against the base currency of FABF (US$). Please refer to the “Currency Risk” section below for details.

There is no minimum amount for partial realisations for each Class of FABF.

H. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class E Units: US$100.00 Class F Units: S$1.00000 Class G (RMB-Hedged) Units: RMB100.00 Class J1 Units: ¥ 10,000 Class J2 Units: ¥ 10,000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

I. Fees and Charges

I.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[a]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[b]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A, B, D (RMB-Hedged), E, F, G (RMB-Hedged) Units: Currently 0.9% p.a., Maximum 1% p.a. Class C Units: Such amount as we may determine in our absolute discretion. Class J1 Units: Currently at our discretion, up to maximum of 1% p.a. Class J2 Units: Currently at our discretion, up to maximum of 1% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[c] (payable to the Auditors), custody and transaction fees[d] (payable to the Trustee and the Custodian) and other fees and charges[e]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[a] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

[b] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[c] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[d] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[e] "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended

31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

I.2 Fees and charges applicable to LABF

Fees and Charges Payable by the Sub-Fund to LABF	
Initial charge	Currently waived, Up to 5%
Redemption charge	Currently waived, Up to 2%
Fees Payable out of LABF	
Management company fee	Up to 0.04% p.a. of the net asset value of LABF
Management fee	Currently up to 0.6% p.a., fully rebated to FABF
Depositary fee	Up to 0.5% p.a. of the average net asset values of the different sub-funds of Fullerton Lux Funds (as allocated to LABF).
Fees for administrative, registrar and transfer and domiciliary services	Up to 0.05% p.a. of the net asset value of Fullerton Lux Funds (as allocated to LABF)

Other expenses may be charged to LABF, including without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of LABF may be marketed in different countries; expenses incurred in the issue, switch and realisation of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

J. Specific Risks of Investments in FABF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FABF and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FABF. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(2) Currency Risk

Please note that FABF and LABF are denominated in US$, and certain Classes of Units are denominated in US$ or other foreign currencies. Accordingly, investments in FABF are exposed to foreign currency risks. Classes which are not expressed in FABF's base currency are also subject to exchange rate fluctuations between the relevant class currency and FABF's base currency.

Further, where the underlying investments are made in the form of non-US$ denominations, an appreciation of the US$ against the currencies of other countries adversely affects the returns from investments in those countries when converted back into US$. Conversely, a depreciation of the US$ against other currencies adds to the returns from investments in those countries when converted back into US$. We may hedge the currency risk but such foreign currency exposure may not be fully hedged.

For Classes D (RMB-Hedged) and G (RMB-Hedged), we intend to hedge the class currency (RMB) against the base currency of FABF (US$) but this may not be fully hedged. RMB refers to the lawful currency of the PRC. The hedging of FABF Class D (RMB-Hedged) and Class G (RMB-Hedged) may be done via FDIs such as CNY[33] non-deliverable forwards, CNH[34] forwards or any other instruments as we deem appropriate. Due to the respective supply and demand, and regulatory conditions, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC**.** The RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing the Qualified Foreign Institutional Investor ("**QFII**") programme) imposed by the government of the PRC. If such policies or restrictions change in the future, the position of Class D (RMB-Hedged) and Class G (RMB-Hedged) Units may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability to convert between RMB and other currencies, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become

[33] CNY refers to RMB traded on the PRC market.
[34] CNH refers to RMB traded on the Hong Kong market.

more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market. The possibility that the appreciation of RMB may be accelerated cannot be excluded, which may result in it becoming more costly to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, there can be no assurance that the RMB will not depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.

The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

We may use instruments such as forward currency contracts, currency futures, currency swap arrangements and currency options for the hedge.

We may or may not hedge the class currencies of Classes B, J1 and J2 against the base currency of FABF.

(3) Risk Associated with Income for Distribution

Please note that income of FABF (if any) will be distributed to Holders in our absolute discretion. Sources of income for distribution include dividend derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying companies invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(4) Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.

(5) Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. The ability of the issuer to meet its obligation may decline substantially during the period when such security is held or the issuer may default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation, the relevant investment manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the relevant investment manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the relevant investment manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

(6) Debt Securities Risk – Lower Rated, Higher Yielding Instruments

Investments may be made in unrated or non-investment grade (i.e. having a long-term credit rating of less than BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)) debt securities, which are lower rated and higher yielding. Such instruments are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, such investment is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities and may result in LABF experiencing more volatile movement than funds which do not invest in such securities.

(7) Country Risk – Emerging and Less Developed Markets

In emerging and less developed markets, in which underlying investments will be made, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, you should ensure that you understand the risks involved and are satisfied that an investment is suitable as part of your portfolio before investing. You should invest in emerging and less developed markets only if you have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include but are not limited to (i) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (ii) countries that have low or middle income economies according to the World Bank, and (iii) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

K. Additional Risks of Investment in LABF

(1) Underlying Fund Risk

As FABF will invest primarily in LABF, it is subject to the Management Company and the investment manager of LABF. Poor management of LABF may jeopardise FABF's investment in LABF.

(2) Concentration Risk

FABF's investment approach does not mandate diversification. Also, FABF will invest a high percentage of its assets in LABF. Such lack of diversification could result in either large gains or losses depending on the performance of LABF. Accordingly, the investment portfolio of FABF may be subject to more rapid change in value than would be the case if FABF were required to maintain a diversified portfolio of investments.

(3) Multiple Levels of Expenses

LABF has fees and expenses that are borne by FABF. As a result, you will be subject to fees and expenses at FABF's level and at LABF's level. As a consequence, the direct and indirect costs borne by FABF are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes which invest directly in bond markets.

(4) Risks Relating to LABF's Investments in Asset Backed Securities and Mortgage Backed Securities

Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.

(5) Regulatory Risk

The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, LABF may be registered in non-EU jurisdictions, which means that LABF may be subject to more restrictive regulatory regimes. In such cases, LABF will abide by these more restrictive requirements. This may prevent LABF from making the fullest possible use of the investment limits.

(6) Risk of Suspension of Share Dealings

In certain circumstances, FABF's right to redeem or switch shares in LABF may be suspended.

The above is not an exhaustive list of the risks to consider before investing. FABF may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FABF has potential for high volatility due to its investment policies or portfolio management techniques.

L. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FABF (Class A) (US$) Inception: 3 Aug 2009					
Single NAV (adjusted)	6.63	2.64	3.67	5.46	5.92
Single NAV (unadjusted)	9.83	3.66	4.28	5.77	6.22
Benchmark	11.43	3.79	4.81	5.40	5.65
FABF (Class B) (S$) Inception: 8 Jun 2009					
Single NAV (adjusted)	5.80	1.97	3.55	5.04	5.54
Single NAV (unadjusted)	8.98	2.98	4.16	5.36	5.84
Benchmark	10.71	3.23	4.77	5.19	5.46
FABF (Class C) (US$) Inception: 27 Apr 2009					
Single NAV (adjusted)	6.95	2.95	3.98	5.86	7.19
Single NAV (unadjusted)	10.16	3.97	4.60	6.18	7.50
Benchmark	11.43	3.79	4.81	5.40	6.45
FABF (Class D (RMB-Hedged)) (RMB) Inception: 16 Aug 2011					

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Single NAV (adjusted)	7.28	4.37	6.17	-	6.46
Single NAV (unadjusted)	10.50	5.40	6.80	-	6.85
Benchmark	12.09	6.00	7.55	-	7.21

Source: Fullerton Fund Management Company Ltd.

The benchmark for Class A Units and Class C Units of FABF is the **JACI Investment Grade Total Return Index**.

The benchmark for Class B Units of FABF is the **JACI Investment Grade Total Return – S$ Hedged**. Prior to 8 May 2010, the benchmark was JACI Investment Grade Total Return Index and this was changed to the current benchmark with effect from 8 May 2010 as Class B Units are hedged.

The benchmark for Class D (RMB-Hedged) Units of FABF is an offshore RMB-hedged benchmark computed by us and derived from **JACI Investment Grade Total Return Index**, by adding the hedging cost of offshore RMB against US$.

M. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FABF (other than Class E, Class F, Class G (RMB-Hedged), Class J1 and Class J2 Units) is:

Class	Expense Ratio
Class A	**1.24%**
Class B	**1.23%**
Class C	**0.93%**
Class D (RMB-Hedged)	**1.23%**

The turnover ratio of FABF is **27.63**%.

The turnover ratio for LABF is -**2.30**% and is calculated based on the lesser of purchases or sales of underlying investments of LABF expressed as a percentage of average daily net asset value.

N. Product Suitability

Investing in FABF is only suitable for investors who:

(a) seek long-term capital appreciation;

(b) seek a fixed income fund with exposure to the Asian region and emerging markets; and

(c) are comfortable with the greater volatility and risks of a fund exposed to fixed income or debt securities denominated primarily in US Dollars and Asian currencies (which may include non-investment grade securities), and emerging markets.

Annex 4 – Fullerton Singapore Bond Fund

A. Investment Objective of FSBF

The investment objective of FSBF is to generate long-term capital appreciation for investors by investing primarily in fixed income or debt securities denominated in Singapore Dollars. These securities will primarily be issued by the Singapore government, government agencies, quasi-government institutions, statutory boards and corporations.

B. Investment Focus and Approach of FSBF

We seek to add value from the following sources: interest rate accruals, selection of bonds and/or credits and duration management (optimisation of bond returns by selecting bonds with different terms to maturity).

Our investment process is a combination of top-down macro research and bottom-up analysis. Economic research and monetary policy analysis is the basis for arriving at the interest rate outlook and bottom-up analysis forms the basis for credit selection and yield curve positioning. Within this framework, we will evaluate fixed income and debt securities to determine their fair value and formulate the duration and credit strategies for FSBF.

FSBF will primarily invest in investment grade issues having a minimum long-term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's. However, non-rated SGD issues are permitted if they meet our internal equivalent rating of investment grade.

We may use FDIs for hedging and efficient portfolio management purposes (namely, managing risks) without leveraging the portfolio.

We may also invest in other Authorised Investments, including securities issued by non-Singapore entities.

C. Base Currency

The base currency of the FSBF is the Singapore Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription / Holding	Minimum Subsequent Subscription
Class A	S$	Available for subscription generally.	S$50 million	S$10 million
Class B*	S$	Available for subscription generally.	S$10 million	S$10 million

* Denotes availability for SRS subscription.

There is no minimum amount for partial realisations for each Class of FSBF.

F. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B Units: S$1.00000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

G. Fees and Charges

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$15,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.3% p.a., Maximum 0.5% p.a. Class B Units: Currently 0.5% p.a., Maximum 0.75% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

[(b)] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(c)] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(d)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(e)] "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

H. Specific Risks of Investments in FSBF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Credit Risk

Investments in debt securities are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of Units of FSBF. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(2) Liquidity Risk

We anticipate some liquidity risk in the Singapore fixed income markets owing to the portfolio size of the FSBF relative to the size of the markets. Liquidity may restrict the ease with which such securities may be bought or sold.

(3) Interest Rate Risk

Investments in fixed income securities are subject to interest rate fluctuations. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes.

(4) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FSBF and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association (“**ISDA**”), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FSBF. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(5) Currency Risk

Investments in Classes of Units that are denominated in foreign currencies are exposed to foreign currency risk. We may not fully hedge the foreign currency exposure although we have the discretion to do so.

(6) Risk Associated with Income for Distribution

Please note that income of FSBF (if any) will be distributed to Holders in our absolute discretion. Sources of income for distribution include dividend derived from the securities of companies in which FSBF invests. Such dividend and/or interest income may be adversely affected by events such as the relevant companies suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(7) Single Country Risk

As a single country fund, the Sub-Fund may present greater opportunities and potential for capital appreciation but may also be subject to higher risks as such investments may be less diversified than a global portfolio.

The above is not an exhaustive list of the risks to consider before investing. FSBF may be exposed to other risks of an exceptional nature.

I. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FSBF (Class A) (S$) Inception: 16 Aug 2011					
Single NAV (adjusted)	2.25	1.05	1.96	-	1.90
Single NAV (unadjusted)	5.32	2.05	2.56	-	2.27
Benchmark	4.89	1.96	2.30	-	1.63

Source: Fullerton Fund Management Company Ltd.

The previous benchmark was a composite of 50% UOB Singapore Government Bond Index – All and 50% UOB Singapore Government Bond Index - Short.

As the UOB Singapore Government Bond Index was discontinued on 1 June 2017, the benchmark was changed to **a composite of 50% Thomson Reuters/iEdge Singapore Fixed Income 1Y-3Y Index and 50% Thomson Reuters/iEdge Singapore Fixed Income Index** with effect from 1 June 2017.

J. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of Class A Units of FSBF is **0.37**%.

The turnover ratio of FSBF is **32.25**%.

K. Product Suitability

Investing in FSBF is only suitable for investors who:

(a) seek long-term capital appreciation;

(b) are comfortable with the risks of a fund which invests primarily in SGD denominated fixed income or debt securities issued by the Singapore government, government agencies, quasi-government institutions, statutory boards and corporations; and

(c) are comfortable with a single country fund.

Annex 5 – Fullerton SGD Income Fund

A. Investment Objective of FSIF

The investment objective of FSIF is to generate long-term capital appreciation and/or income in SGD terms for investors by investing primarily in fixed income or debt securities.

B. Investment Focus and Approach of FSIF

We seek to add value from interest rate accruals, selection of bonds and/or credits and duration management (optimisation of bond returns by selecting bonds with different terms to maturity).

Our investment process is a combination of top-down macro research and bottom-up analysis. Economic research and monetary policy analysis is the basis for arriving at the interest rate outlook and bottom-up analysis forms the basis for credit selection and yield curve positioning. Within this framework, we will evaluate fixed income and debt securities to determine their fair value and formulate the duration and credit strategies for FSIF.

FSIF will invest in a diversified portfolio of primarily investment grade fixed income or debt securities having a minimum long-term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's (or their respective equivalents) and cash. The investments of FSIF will be broadly diversified with no specific geographical or sectoral emphasis.

FSIF may also invest in non-investment grade bonds (i.e. bonds with a long-term credit rating of less than BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)) of up to 30% of its Net Asset Value. Non-rated bonds will be subject to our internal rating process and will follow our internal equivalent rating of investment grade or non-investment grade accordingly.

FSIF may invest in Singapore Dollar and foreign currency denominated bonds including but not limited to US Dollar, Euro, Japanese Yen and Australian Dollar. The foreign currency denominated bonds will be fully hedged back to the Singapore Dollar except for a 1% frictional currency limit (to account for possible deviations from a 100% hedge).

We may use FDIs for hedging and efficient portfolio management purposes.

We may also invest in other Authorised Investments.

C. Base Currency

The base currency of FSIF is the Singapore Dollar.

D. Distribution Policy

Distributions (if any) <u>may</u> be declared in our absolute discretion.

Our current intention is to declare quarterly distribution out of <u>income and/or capital</u> of FSIF. Please note that the making of distributions is not guaranteed. If distributions are made, such distributions are not a forecast, indication or projection of the future performance of FSIF. The making of any distribution does not imply that further distributions will be made. We reserve the right to vary the frequency and/or amount of distributions (if at all).

Distributions may be made out of the capital of FSIF. Please note the risks of distributions out of capital described in Paragraph 10.1.13.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A*	S$	Available for subscription generally.	S$100,000	S$100,000
Class B*	S$	Available for subscription generally.	None	None
Class C	S$	Available for subscription generally.	S$10 million	S$10 million
Class D (US$-Hedged)^	US$	Available for subscription generally.	US$100,000	US$100,000
Class R*	S$	Class R Units are available to retail investors in certain circumstances when investing through distributors, financial advisors, platforms or other intermediaries (each an "**Intermediary**" and together the "**Intermediaries**") on the basis of a separate agreement or fee arrangement between the investor and an Intermediary, to which we and the Trustee are not a party to or liable under. For the avoidance of doubt, (i) Class R Units may be offered in jurisdictions where the Intermediaries or their nominees do not require commission or are not eligible to receive commission under the adviser charging rules, and (ii) Preliminary Charge for Class R Units will not be paid to Intermediaries.	S$100,000	None

* Denotes availability for SRS subscription.

^ Please note that the class currency of Class D (US$-Hedged) will be hedged against the base currency of FSIF (S$). Please see "Currency Risk" section below for details.

There is no minimum amount for partial realisations for each Class of FSIF.

F. Fees and Charges

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund[(b)]	
Trustee Fee, Registrar Fee and Valuation Fee[(c)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$15,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.8% p.a., Maximum 1% p.a. Class B Units: Currently 1% p.a., Maximum 1% p.a. Class C Units: Currently 0.5% p.a., Maximum 1% p.a.

	Class D (US$-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class R Units: Currently 0.5% p.a., Maximum 1% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(d)] (payable to the Auditors), custody and transaction fees[(e)] (payable to the Trustee and the Custodian) and other fees and charges[(f)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

[(b)] With effect from 22 July 2015, for fees payable by the Sub-Fund and calculated based on the Net Asset Value, such fees will be computed before taking into account any Dilution Adjustment. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

[(c)] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(d)] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(f)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(g)] "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

G. Specific Risks of Investments in FSIF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Credit Risk

Investments in debt securities are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of Units of FSIF. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(2) Liquidity Risk

We anticipate some liquidity risk in the Singapore fixed income markets owing to the portfolio size of FSIF relative to the size of the markets. Liquidity may restrict the ease with which such securities may be bought or sold.

(3) Interest Rate Risk

Investments in fixed income securities are subject to interest rate fluctuations. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes.

(4) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FSIF and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FSIF. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(5) Currency Risk

FSIF may be affected favourably or unfavourably by changes in currencies and exchange control regulations. The income earned by FSIF may be affected by fluctuations in foreign exchange rates. We may manage the currency risk by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSIF may not be fully hedged.

For Class D (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSIF (S$) but this may not be fully hedged. The hedging of FSIF Class D (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(6) Risk Associated with Income for Distribution

Please note that income of FSIF (if any) will be distributed to Holders in our absolute discretion. Sources of income for distribution include dividend derived from the securities of companies in which FSIF invests. Such dividend and/or interest income may be adversely affected by events such as the relevant companies suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(7) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

The above is not an exhaustive list of the risks to consider before investing. FSIF may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FSIF has potential for high volatility due to its investment policies or portfolio management techniques.

H. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FSIF (Class A) (S$) Inception: 5 Jan 2012					
Single NAV (adjusted)	5.22	2.70	3.67	-	4.74
Single NAV (unadjusted)	8.38	3.71	4.28	-	5.14
FSIF (Class B) (S$) Inception: 14 May 2012					
Single NAV (adjusted)	5.01	2.49	3.46	-	4.11
Single NAV (unadjusted)	8.16	3.51	4.07	-	4.52
FSIF (Class C) (S$) Inception: 13 Jun 2012					
Single NAV (adjusted)	5.54	3.01	3.98	-	4.65
Single NAV (unadjusted)	8.71	4.03	4.59	-	5.07
FSIF (Class D (US$-Hedged)) (US$) Inception: 19 May 2015					
Single NAV (adjusted)	6.01	3.28	-	-	3.97
Single NAV (unadjusted)	9.19	4.30	-	-	4.67
FSIF (Class R) (S$) Inception: 21 Nov 2018					
Single NAV (adjusted)	-	-	-	-	-
Single NAV (unadjusted)	-	-	-	-	-

Source: Fullerton Fund Management Company Ltd.

A track record of at least one year is not available for Class R Units.

Due to the investment strategy of FSIF, there is no benchmark against which the performance of FSIF may be accurately measured.

To counter the impact of significant net transactions on any Dealing Day, we may, with effect from 22 July 2015, apply Dilution Adjustment in the calculations of the Net Asset Value. Performance figures from that date are calculated after taking into account any Dilution Adjustment. Therefore, the returns of FSIF may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of the underlying investments of FSIF. The use of Dilution Adjustment to calculate performance returns may increase the variability of FSIF's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

I. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FSIF is:

Class	Expense Ratio
Class A	**0.85**%
Class B	**1.05**%
Class C	**0.55**%
Class D	**0.85**%
Class R	**0.52**%

The turnover ratio of FSIF is **21.48**%.

J. Product Suitability

Investing in FSIF is only suitable for investors who:

(a) seek long-term capital appreciation and/or income; and

(b) are comfortable with the risks of a fund which invests in a diversified portfolio comprising primarily of investment grade fixed income or debt securities.

Annex 6 – Fullerton Dynamic Strategies Fund - Aggressive

A. Investment Objective of FDSA

The investment objective of FDSA is to generate medium to long-term capital appreciation for investors by investing into various asset classes.

B. Investment Focus and Approach of FDSA

Subject to the provisions of the Code, FDSA will invest primarily in collective investment schemes and other investment funds (including exchange traded funds ("**ETFs**"), real estate investment trusts ("**REITs**") and other permissible investments), whether actively or passively managed, for exposure to various asset classes, including equities, fixed income, money market, cash, commodities and alternatives (including, without limitation, listed and OTC financial derivative instruments).

FDSA may also invest directly in securities (including but not limited to equities, units of business trusts, bonds and convertible bonds) in accordance with its investment objective and asset allocation strategy, as we deem appropriate.

The long-term strategic percentage mix (or neutral asset allocation) for FDSA is 20% fixed income and 80% equities. We may, from time to time and at our sole discretion, vary the percentage of the Net Asset Value of FDSA that is exposed to the various underlying investments, including the percentage allocation stated above.

We may use or invest in FDIs for hedging, efficient portfolio management, optimising returns or a combination of all three objectives.

FDSA may also invest in other Authorised Investments.

C. Base Currency

The base currency of FDSA is the Singapore Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A*	S$	Available for subscription generally.	None	None
Class B*	S$	Available for subscription generally.	None	None

* Denotes availability for SRS subscription.

There is no minimum amount for partial realisations for each Class of FDSA.

Switching into or out of FDSA into another Sub-Fund (save for FDSB) is not permitted.

F. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B Units: S$1.00000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

G. Fees and Charges

G.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 5% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A and B Units: Currently 1.2% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the “Current” amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the “Maximum” amount as stated above.

[(b)] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(c)] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(d)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(e)] “Other fees and charges” include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

G.2 Fees and charges applicable to the collective investment schemes and other investment funds that FDSA may invest less than 30% of its Net Asset Value

Fees and Charges Payable by the Sub-Fund to each scheme	
Preliminary charge	Ranging from 0% to 5%
Realisation charge	Ranging from 0% to 5%
Switching fee	Ranging from 0% to 2%
Fees and Charges Payable out of each scheme	
Management fee	Ranging from 0% p.a. to 2% p.a.
Other fees (which may include but are not limited to fees paid to the trustee, depositary or custodians; legal fees; audit fees; fund administration fees and transfer agency fees)	Each fee ranging from 0% p.a. to 0.5% p.a.
Performance fee (if any)	Ranging from 0% to 25%

Other fees and charges payable by the business trusts and REITs invested into by FDSA include, without limitation, property and/or lease management fees, acquisition fees, divestment fees, commissions (which may consist of underwriting and selling commissions payable to underwriters), development management fees and project management fees.

The above reflects estimated potential fees and charges to the best of our knowledge. The exact fees and charges payable to or out of other collective investment schemes are not ascertainable on an ongoing basis, and the information on some fees and charges may not be available. As such, we cannot be certain that all fees and charges which may be 0.1% or more of the other collective investment scheme's net asset value have been disclosed. Further, the above does not take into account the fees and charges of any collective investment scheme that FDSA may invest less than 10% of its Net Asset Value since they are (in relation to each collective investment scheme) not likely to amount to 0.1% of FDSA's Net Asset Value.

Whilst we may try to seek waivers or rebates to FDSA of the fees and charges, we may not be successful in doing so.

The estimates should not be used or construed as a proxy, prediction, forecast or projection of the actual or future fees and charges of any collective investment scheme that FDSA may invest in.

H. Specific Risks of Investments in FDSA

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

FDSA may be affected favourably or unfavourably by changes in currencies and exchange control regulations affecting its underlying investments. We may manage the currency risk by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FDSA may not be fully hedged.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FDSA's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

Investments in fixed income securities are subject to interest rate fluctuations. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises.

The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FDSA. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(5) Liquidity Risk

FDSA is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FDSA, and can also have an impact on the value of Units of FDSA. Although FDSA will invest in, amongst others, collective investment schemes and other investment funds (including ETFs, REITs and other permissible investments) and business trusts in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds or trusts are not readily redeemable. Absence of liquidity may have a detrimental impact on FDSA and the value of its investments. We will seek to mitigate such a liquidity risk through diversified exposure to a broad range of asset classes. In addition, we have in place a risk management process for identifying appropriate liquidity features for underlying funds (for example, daily or weekly dealing) and for monitoring concentration limits for each underlying fund and for a particular market.

(6) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FDSA and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FDSA. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(7) Commodities Risk

FDSA may use debt securities and/or ETFs to gain exposure to the performance of commodity equities and futures. Examples of the underlying commodities include, without limitation, oil, natural gas, coal, gold, silver, platinum, palladium, copper, aluminium, nickel, zinc, iron, steel, lead, tin, wheat, soya bean, cocoa, corn, coffee, sugar, cotton, hogs and cattle.

The prices of commodity equities and futures are influenced by various macroeconomic factors such as changing supply and demand relationships, climatic and geopolitical conditions, disease and other natural phenomena, agricultural, trade, fiscal, monetary and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

The volatility of FDSA will depend to a certain extent on the correlation between different commodities or classes of commodities to which FDSA is exposed and that such correlation may vary from time to time. Should two or more commodities or classes of commodities to which FDSA is exposed become highly correlated, their performance will have a greater impact on the performance of FDSA and FDSA may be subject to greater or more rapid fluctuations in value than would be the case if they were not highly correlated.

Where FDSA has exposure to more than one commodity or commodity index at any time, some of the commodities and/or commodity indices may be highly correlated and therefore treated as giving exposure to the same commodity. As and when required, we apply an internal statistical model to monitor correlations between the commodities and/or commodity indices to which FDSA is exposed to, using historical correlation data based on the returns of each commodity or commodity index. Currently, the model computes the correlation and significance levels between the commodities and/or commodity indices by examining 5 years of historical returns data. Such period or periods may be adjusted at our discretion in the event that any historical data is not available. If the correlation is higher than 0.7, we will regard such commodities and/or commodity indices as being “highly correlated” with each other and FDSA's exposure to such commodities and/or commodity indices will be aggregated for the purpose of compliance with the Code. The correlations between the commodities and/or commodity indices over the most recent 1 year (“**short-term correlation**”) are also compared against the corresponding correlations over a prior 4 year period to identify any drift in correlation.

(8) Underlying Fund Risk

As FDSA will invest primarily in passively or actively managed collective investment schemes and other investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying fund(s) may jeopardise FDSA's investment in such underlying fund(s).

(9) Concentration Risk

FDSA's investment approach does not mandate diversification. Also, FDSA may invest a high percentage of its assets in a single investment fund or a very small number of investment funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FDSA may be subject to more rapid change in value than would be the case if FDSA were required to maintain a diversified portfolio of investments.

(10) Emerging Markets Risk

Investments in emerging markets and some Asian markets may be more volatile than those in developed countries. The prices of such investments may be influenced by economic and political conditions and interest rates. Some of these investments may be less liquid, which may therefore affect our ability to acquire or dispose of securities at the price and time we desire. There may be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency. Many of the emerging markets and some of the Asian markets may not have well-developed consolidated bodies of securities laws and regulatory frameworks. Disclosure and regulatory standards in these countries may be less stringent than those in developed markets. Accounting, auditing and financial standards and requirements may not have been established in some respects or may differ significantly from international standards and as a result, information on the company's accounts may not accurately reflect its financial strength.

The value of the securities in which FDSA intends to invest in will fluctuate depending upon the general trend of the stock market and the prevailing interest rates. The economic development of the countries in which FDSA will invest in will have an impact on the value of the securities acquired. The value of FDSA will be affected by such changes in market conditions and interest rates.

(11) Risks of Investing in ETFs

Although FDSA may invest in ETFs which track the performance of designated indices, the trading price of the ETFs may differ from the ETFs' net asset value. While the value of the ETFs will generally fluctuate with changes in the market value of the index shares[35], it will also fluctuate in accordance with changes in the supply and demand for the units in the ETFs on the regulated markets. It is impossible to predict whether units in an underlying ETF of FDSA will trade at, above or below their value at any given time.

Underlying ETFs investing in swap(s) and/or FDIs will be exposed to counterparty risk, which is the risk that the party trading with the relevant underlying ETF will be unable to meet its obligation to make payments or to settle a trade by the counterparty. Moreover, should a counterparty become bankrupt or insolvent, such underlying ETFs may incur significant losses, including declines in the value of its investment during the period in which the relevant underlying ETF seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The above transactions may also be terminated due to certain events, such as bankruptcy, supervening illegality or change in the tax or accounting laws relative to those in force at the time the transactions were entered into.

(12) Multiple Levels of Expenses

The underlying funds have expenses and management costs that are borne by FDSA. As a result, you will be subject to fees and expenses at FDSA's level and at the underlying funds'

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[35] "**Index shares**" means the shares listed on the regulated market being the shares of the companies which are constituent components of the respective index.

level. Underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying collective investment schemes (including ETFs), but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by FDSA are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes (including ETFs) which invest directly in equity and bond markets.

(13) Risks of Investing in REITs and in Business Trusts

REITs and business trusts depend on specialised management skills. Some REITs and business trusts may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs and business trusts depend generally on their ability to generate cash flows to make distributions to unitholders, and may be subject to enterprise risk (for business trusts) and defaults by borrowers and tenants of properties (for REITs).

REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.

Investments in REITs and in business trusts that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose FDSA to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.

The above is not an exhaustive list of the risks to consider before investing. FDSA may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FDSA has potential for high volatility due to its investment policies or portfolio management techniques.

I. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FDSA (Class A) (S$) Inception: 17 Apr 2013					
Single NAV (adjusted)	-1.69	3.93	3.11	-	4.49
Single NAV (unadjusted)	3.23	5.63	4.12	-	5.28
Benchmark	4.04	8.57	7.46	-	8.80

Source: Fullerton Fund Management Company Ltd.

The benchmark is **a composite comprising FTSE World Government Bond Index (20%) and MSCI AC World Net Index (80%)**.

J. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of Class A Units of FDSA is **1.89**%.

The turnover ratio of FDSA is **77.63**%.

K. Product Suitability

Investing in FDSA is only suitable for investors who:

(a) seek medium to long-term capital appreciation; and

(b) are comfortable with the risks of a fund which invests about 20% in fixed income and 80% in equities and is exposed to various asset classes (including equities, fixed income, money market, cash, commodities and alternatives) primarily via collective investment schemes and other investment funds (including ETFs, REITs and other permissible investments).

Annex 7 – Fullerton Dynamic Strategies Fund - Balanced

A. Investment Objective of FDSB

The investment objective of FDSB is to generate medium to long-term capital appreciation for investors by investing into various asset classes.

B. Investment Focus and Approach of FDSB

Subject to the provisions of the Code, FDSB will invest primarily in collective investment schemes and other investment funds (including exchange traded funds ("**ETFs**"), real estate investment trusts ("**REITs**") and other permissible investments), whether actively or passively managed, for exposure to various asset classes, including equities, fixed income, money market, cash, commodities and alternatives (including, without limitation, listed and OTC financial derivative instruments).

FDSB may also invest directly in securities (including but not limited to equities, units of business trusts, bonds and convertible bonds) in accordance with its investment objective and asset allocation strategy, as we deem appropriate.

The long-term strategic percentage mix (or neutral asset allocation) for FDSB is 50% fixed income and 50% equities. We may, from time to time and at our sole discretion, vary the percentage of the Net Asset Value of FDSB that is exposed to the various underlying investments, including the percentage allocation stated above.

We may use or invest in FDIs for hedging, efficient portfolio management, optimising returns or a combination of all three objectives.

FDSB may also invest in other Authorised Investments.

C. Base Currency

The base currency of FDSB is the Singapore Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A*	S$	Available for subscription generally.	None	None
Class B*	S$	Available for subscription generally.	None	None

* Denotes availability for SRS subscription.

There is no minimum amount for partial realisations for each Class of FDSB.

Switching into or out of FDSB into another Sub-Fund (save for FDSA) is not permitted.

F. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B Units: S$1.00000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

G. Fees and Charges

G.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 5% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a.. It is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A and B Units: Currently 1.2% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the “Current” amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the “Maximum” amount as stated above.

[(b)] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee amounted to 0.08% and 0.13% respectively based on the average Net Asset Value of the Sub-Fund for that financial year.

[(c)] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee amounted to 0.11% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(d)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(e)] “Other fees and charges” include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges amounted to 0.14% based on the average Net Asset Value of the Sub-Fund for that financial year.

G.2 Fees and charges applicable to the collective investment schemes and other investment funds that FDSB may invest less than 30% of its Net Asset Value

Fees and Charges Payable by the Sub-Fund to each scheme	
Preliminary charge	Ranging from 0% to 5%
Realisation charge	Ranging from 0% to 5%
Switching fee	Ranging from 0% to 2%
Fees and Charges Payable out of each scheme	
Management fee	Ranging from 0% p.a. to 2% p.a.
Other fees (which may include but are not limited to fees paid to the trustee, depositary or custodians; legal fees; audit fees; fund administration fees and transfer agency fees)	Each fee ranging from 0% p.a. to 0.5% p.a.
Performance fee (if any)	Ranging from 0% to 25%

Other fees and charges payable by the business trusts and REITs invested into by FDSB include, without limitation, property and/or lease management fees, acquisition fees, divestment fees, commissions (which may consist of underwriting and selling commissions payable to underwriters), development management fees and project management fees.

The above reflects estimated potential fees and charges to the best of our knowledge. The exact fees and charges payable to or out of other collective investment schemes are not ascertainable on an ongoing basis, and the information on some fees and charges may not be available. As such, we cannot be certain that all fees and charges which may be 0.1% or more of the other collective investment scheme's net asset value have been disclosed. Further, the above does not take into account the fees and charges of any collective investment scheme that FDSB may invest less than 10% of its Net Asset Value since they are (in relation to each collective investment scheme) not likely to amount to 0.1% of FDSB's Net Asset Value.

Whilst we may try to seek waivers or rebates to FDSB of the fees and charges, we may not be successful in doing so.

The estimates should not be used or construed as a proxy, prediction, forecast or projection of the actual or future fees and charges of any collective investment scheme that FDSB may invest in.

H. Specific Risks of Investments in FDSB

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

FDSB may be affected favourably or unfavourably by changes in currencies and exchange control regulations affecting its underlying investments. We may manage the currency risk by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FDSB may not be fully hedged.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FDSB's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

Investments in fixed income securities are subject to interest rate fluctuations. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises.

The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FDSB. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(5) Liquidity Risk

FDSB is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FDSB, and can also have an impact on the value of Units of FDSB. Although FDSB will invest in, amongst others, collective investment schemes and other investment funds (including ETFs, REITs and other permissible investments) and business trusts in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds or trusts are not readily redeemable. Absence of liquidity may have a detrimental impact on FDSB and the value of its investments. We will seek to mitigate such a liquidity risk through diversified exposure to a broad range of asset classes. In addition, we have in place a risk management process for identifying appropriate liquidity features for underlying funds (for example, daily or weekly dealing) and for monitoring concentration limits for each underlying fund and for a particular market.

(6) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FDSB and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association (“**ISDA**”), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FDSB. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(7) Commodities Risk

FDSB may use debt securities and/or ETFs to gain exposure to the performance of commodity equities and futures. Examples of the underlying commodities include, without limitation, oil, natural gas, coal, gold, silver, platinum, palladium, copper, aluminium, nickel, zinc, iron, steel, lead, tin, wheat, soya bean, cocoa, corn, coffee, sugar, cotton, hogs and cattle.

The prices of commodity equities and futures are influenced by various macroeconomic factors such as changing supply and demand relationships, climatic and geopolitical conditions, disease and other natural phenomena, agricultural, trade, fiscal, monetary and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

The volatility of FDSB will depend to a certain extent on the correlation between different commodities or classes of commodities to which FDSB is exposed and that such correlation may vary from time to time. Should two or more commodities or classes of commodities to which FDSB is exposed become highly correlated, their performance will have a greater impact on the performance of FDSB and FDSB may be subject to greater or more rapid fluctuations in value than would be the case if they were not highly correlated.

Where FDSB has exposure to more than one commodity or commodity index at any time, some of the commodities and/or commodity indices may be highly correlated and therefore treated as giving exposure to the same commodity. As and when required, we apply an internal statistical model to monitor correlations between the commodities and/or commodity indices to which FDSB is exposed to, using historical correlation data based on the returns of each commodity or commodity index. Currently, the model computes the correlation and significance levels between the commodities and/or commodity indices by examining 5 years of historical returns data. Such period or periods may be adjusted at our discretion in the event that any historical data is not available. If the correlation is higher than 0.7, we will regard such commodities and/or commodity indices as being "highly correlated" with each other and FDSB's exposure to such commodities and/or commodity indices will be aggregated for the purpose of compliance with the Code. The correlations between the commodities and/or commodity indices over the most recent 1 year ("**short-term correlation**") are also compared against the corresponding correlations over a prior 4 year period to identify any drift in correlation.

(8) Underlying Fund Risk

As FDSB will invest primarily in passively or actively managed collective investment schemes and other investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying fund(s) may jeopardise FDSB's investment in such underlying fund(s).

(9) Concentration Risk

FDSB's investment approach does not mandate diversification. Also, FDSB may invest a high percentage of its assets in a single investment fund or a very small number of investment funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FDSB may be subject to more rapid change in value than would be the case if FDSB were required to maintain a diversified portfolio of investments.

(10) Emerging Markets Risk

Investments in emerging markets and some Asian markets may be more volatile than those in developed countries. The prices of such investments may be influenced by economic and political conditions and interest rates. Some of these investments may be less liquid, which may therefore affect our ability to acquire or dispose of securities at the price and time we desire. There may be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency. Many of the emerging markets and some of the Asian markets may not have well-developed consolidated bodies of securities laws and regulatory frameworks. Disclosure and regulatory standards in these countries may be less stringent than those in developed markets. Accounting, auditing and financial standards and requirements may not have been established in some respects or may differ significantly from international standards and as a result, information on the company's accounts may not accurately reflect its financial strength.

The value of the securities in which FDSB intends to invest in will fluctuate depending upon the general trend of the stock market and the prevailing interest rates. The economic development of the countries in which FDSB will invest in will have an impact on the value of the securities acquired. The value of FDSB will be affected by such changes in market conditions and interest rates.

(11) Risks of Investing in ETFs

Although FDSB may invest in ETFs which track the performance of designated indices, the trading price of the ETFs may differ from the ETFs' net asset value. While the value of the ETFs will generally fluctuate with changes in the market value of the index shares[36], it will also fluctuate in accordance with changes in the supply and demand for the units in the ETFs on the regulated markets. It is impossible to predict whether units in an underlying ETF of FDSB will trade at, above or below their value at any given time.

Underlying ETFs investing in swap(s) and/or FDIs will be exposed to counterparty risk, which is the risk that the party trading with the relevant underlying ETF will be unable to meet its obligation to make payments or to settle a trade by the counterparty. Moreover, should a counterparty become bankrupt or insolvent, such underlying ETFs may incur significant losses, including declines in the value of its investment during the period in which the relevant underlying ETF seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The above transactions may also be terminated due to certain events, such as bankruptcy, supervening illegality or change in the tax or accounting laws relative to those in force at the time the transactions were entered into.

(12) Multiple Levels of Expenses

The underlying funds have expenses and management costs that are borne by FDSB. As a result, you will be subject to fees and expenses at FDSB's level and at the underlying funds'

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[36] "**Index shares**" means the shares listed on the regulated market being the shares of the companies which are constituent components of the respective index.

level. Underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying collective investment schemes (including ETFs), but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by FDSB are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes (including ETFs) which invest directly in equity and bond markets.

(13) Risks of Investing in REITs and in Business Trusts

REITs and business trusts depend on specialised management skills. Some REITs and business trusts may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs and business trusts depend generally on their ability to generate cash flows to make distributions to unitholders, and may be subject to enterprise risk (for business trusts) and defaults by borrowers and tenants of properties (for REITs).

REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.

Investments in REITs and in business trusts that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose FDSB to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.

The above is not an exhaustive list of the risks to consider before investing. FDSB may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FDSB has potential for high volatility due to its investment policies or portfolio management techniques.

I. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
FDSB (Class A) (S$) Inception: 17 Apr 2013					
Single NAV (adjusted)	-0.56	1.34	1.90	-	2.36
Single NAV (unadjusted)	4.41	3.00	2.90	-	3.14
Benchmark	6.13	6.03	6.01	-	6.73

Source: Fullerton Fund Management Company Ltd.

The benchmark is **a composite comprising FTSE World Government Bond Index (50%) and MSCI AC World Net Index (50%)**.

J. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of Class A Units of FDSB is **2.33**%.

The turnover ratio of FDSB is **75.22**%.

K. Product Suitability

Investing in FDSB is <u>only</u> suitable for investors who:

(a) seek medium to long-term capital appreciation; and

(b) are comfortable with the risks of a fund which invests about 50% in fixed income and 50% in equities and is exposed to various asset classes (including equities, fixed income, money market, cash, commodities and alternatives) primarily via collective investment schemes and other investment funds (including ETFs, REITs and other permissible investments).

Annex 8 – Fullerton Asia Income Return

A. Investment Objective of FAIR

The investment objective of FAIR is to generate regular income and long-term capital appreciation for investors by investing in equities, fixed income, cash and other permissible investments.

B. Investment Focus and Approach of FAIR

FAIR may invest in collective investment schemes and other investment funds (including exchange traded funds ("**ETFs**")), securities and/or hold cash, in accordance with its investment objective and asset allocation strategy, as we deem appropriate.

We may use FDIs (including, without limitation, treasury, bond or equities futures, interest rate swaps and foreign exchange forwards) for hedging, efficient portfolio management, optimising returns or a combination of all three objectives.

FAIR may also invest in other Authorised Investments.

FAIR may invest up to 30% or more of its Net Asset Value into any of the underlying funds set out below (each an "**Underlying Fund**" and collectively, the "**Underlying Funds**") or in any other collective investment scheme as notified by us from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at our sole discretion.

S/N	Underlying Funds
1	Fullerton Lux Funds – Asia Growth & Income Equities ("LAGIE")
2	Fullerton Lux Funds – Asia Focus Equities ("LHCAE")
3	Fullerton Lux Funds – Asia Absolute Alpha ("LAAA")
4	Fullerton Lux Funds – Asian Bonds ("LABF")
5	Fullerton SGD Cash Fund ("FSCF")

Please note that FAIR may also invest less than 30% of its Net Asset Value into any other collective investment scheme not listed above.

Save for FSCF, the Underlying Funds are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the "**Fullerton Lux Sub-Fund**" and collectively, the "**Fullerton Lux Sub-Funds**".

FSCF is a sub-fund of the Fund and its details are set in Annex 2 – Fullerton SGD Cash Fund.

The investment objectives, policies and approach of the Fullerton Lux Sub-Funds are as follows:

Fullerton Lux Sub-Funds	Investment objective and policies
LAGIE	The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LAGIE, we seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents. LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value.

	The Asian countries in which LAGIE may invest excludes Japan.
LHCAE	The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LHCAE, we seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value. The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.
LAAA	The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income. As the investment manager of LAAA, we seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. We may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value. LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital. The Asia Pacific countries in which LAAA may invest excludes Japan.
LABF	The investment objective of LABF is to generate long-term capital appreciation for investors. As the investment manager of LABF, we seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

As the investment manager of the Fullerton Lux Sub-Funds, we seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on our expertise in bottom-up stock selection, which we believe provides the greatest opportunities for alpha generation. We adopt a bottom-up approach to portfolio construction. Our investment process centres on bottom-up fundamental research and we seek to populate our portfolio with the best bottom-up ideas we are able to identify.

We seek to achieve the investment objective of LABF by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. We believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

C. Managers of the Underlying Funds

We are the managers of FSCF.

Lemanik Asset Management S.A. (the "**Management Company**") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed collective investment schemes or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to us and have appointed us as the investment manager of the Fullerton Lux Sub-Funds. Our details are set out in Paragraph 2.

D. Use of Financial Derivative Instruments

FAIR may employ FDIs for hedging, efficient portfolio management purposes (namely, managing risks), optimising returns or a combination of all three objectives.

We presently do not intend to use FDIs for FSCF.

LAGIE, LHCAE and LAAA may employ FDIs for hedging and efficient portfolio management purposes. Such FDIs may include, but are not limited to, OTC and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts, index-linked notes and/or a combination of the above.

LABF may employ FDIs for hedging, efficient portfolio management and investment purposes. FDIs may be employed for instance to generate additional income from exposure to credit risk in purchasing or selling protection through credit default swaps, adjusting the fund's duration through the tactical use of interest related financial derivative instruments, generating additional income through inflation or volatility linked financial derivative instruments or increasing its currency exposure through the use of currency related financial derivative instruments. Financial derivative instruments could also be employed to create synthetic instruments. Such financial derivative instruments may include, but are not limited to, over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux Sub-Funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux Sub-Funds and may increase the counterparty risk of the Fullerton Lux Sub-Funds.

E. Base Currency

The base currency of FAIR is the US Dollar.

F. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

Our current intention is to declare monthly distributions out of income and/or capital of FAIR. Please note that the making of distributions is not guaranteed. If distributions are made, such distributions are not a forecast, indication or projection of the future performance of FAIR. The making of any distribution will not imply that further distributions will be made. We reserve the right to vary the frequency and/or amount of distributions (if at all).

Distributions may be made out of the capital of FAIR. Please note the risks of distributions out of capital described in Paragraph 10.1.13.

G. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A*	S$	Available for subscription generally.	None	None
Class B	US$	Available for subscription generally.	None	None
Class C*	S$	Available for subscription generally.	S$10,000,000	S$1,000,000
Class D	US$	Available for subscription generally.	US$10,000,000	US$1,000,000

* Denotes availability for SRS subscription.

There is no minimum amount for partial realisations for each Class of FAIR.

H. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class C Units: S$1.00000 Class D Units: US$1.00000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

I. Fees and Charges

I.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 4% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A and B Units: Currently 1.2% p.a., Maximum 1.5% p.a. Class C and D Units: Currently 0.6% p.a., Maximum 1.0% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Performance Fee (Further explained in sub-Paragraph I.2 below)	Class A and B Units: Nil. Class C and D Units: 10% of the performance in excess of the higher of the hurdle rate of 6% or the high water mark.
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[a] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

[b] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[c] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[d] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[e] "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

I.2 Performance Fee of FAIR explained

<u>(i) Performance Period</u>

We are entitled to a Performance Fee which is payable annually for Class C and D Units of FAIR and is calculated (except when Units are realised) on an "**End Date**" over a "**Performance Period**".

The Performance Period commences from a "**Start Date**" and ends on an "End Date". The Start Date falls on the 1st of January (or first Business Day) of each year while the End Date falls on the 31st of December (or last Business Day) of each year, except for the first Performance Period. The Start Date of the first Performance Period will be the date of inception of the relevant Class and the End Date will be the 31st of December (or last Business Day) of the year in which the relevant Class was incepted. For example, if the date of inception falls on 15 April 2013, the first Start Date will be 15 April 2013 and the first End Date will be 31 December 2013 or the last Business Day of 2013. The first Performance Period will therefore be less than one calendar year. All subsequent Performance Periods will be approximately one calendar year.

<u>(ii) Computation and accrual of Performance Fee</u>

The Performance Fee is accrued on a Dealing Day only if the relevant Class' **Gross NAV** exceeds both (a) the **Hurdle Value** and (b) the high water mark ("**HWM**").

The Performance Fee (if any) to be accrued on each Dealing Day for each Class will be equal to **10%** of the amount by which the Gross NAV for that Class exceeds the higher of the Hurdle Value or the HWM for that Class on that Dealing Day <u>multiplied by</u> the number of Units in issue or deemed to be in issue for that Class on that Dealing Day.

For the above:

- The Gross NAV means the Net Asset Value per Unit of the relevant Class (without taking into account any accrued Performance Fee) in respect of a Dealing Day.

- The Hurdle Value on the Start Date of the first Performance Period will be the initial Issue Price per Unit of the relevant Class. For subsequent Performance Periods, the Hurdle Value on the Start Date will be reset annually to the Net Asset Value per Unit as at the End Date of the previous Performance Period.

  The Hurdle Value will be calculated on a daily basis culminating in a Hurdle Value on the End Date of the Performance Period that is equal to a six per cent. (6%) increase over the Hurdle Value on the Start Date of that Performance Period. This essentially means a non-cumulative annual hurdle rate of 6%.

- The HWM for calculating the Performance Fee for the first Performance Period will be the initial Issue Price per Unit of the relevant Class ("**Initial HWM**"). Thereafter, the HWM will be reset to the higher of (a) the Initial HWM or (b) the highest Net Asset Value per Unit as at the End Date of any previous Performance Period (regardless of whether the Performance Fee accrues or crystallises).

The amount of Performance Fee attributable to the relevant Class is calculated as at the Valuation Point on each Dealing Day.

The Performance Fee (if any) accrued for each Performance Period is payable to us in arrears at the end of the relevant Performance Period within 30 days from the relevant End Date or on such other date as we may determine.

For any realisation of Units of the relevant Class before the relevant End Date, the Performance Fee accrued for such realised Units will crystallise and become payable on the date of realisation of the Units ("**Realisation Point**"), if the Gross NAV of the relevant Class as at the Realisation Point exceeds the Hurdle Value and the HWM. **Please therefore note that if the performance of the relevant Class for that relevant Performance Period is below the Hurdle Rate, the Performance Fee which crystallised on the Realisation Point is not retrospective and cannot be reclaimed from us or the Sub-Fund.**

As described above, the amount of Performance Fee attributable to the relevant Class accrues on a daily basis from the relevant Start Date. **It is therefore accrued for each Unit of the relevant Class based on the performance of the relevant Class from the relevant Start Date and not on the performance of the Unit determined from the point of subscription (i.e. performance fee may be accrued from the point of subscription till the end of that Performance Period notwithstanding that performance from the point of subscription does not exceed 6% per annum or may be negative).**

Please note that the Performance Fees payable for a Unit of the relevant Class may not correspond to the actual performance of that Unit, as the relevant Classes do not achieve equalisation of Performance Fees. We are entitled to the Performance Fee for each Performance Period so long as the relevant Class' Gross NAV on the End Date of that Performance Period exceeds both the Hurdle Value and the HWM on the End Date of that Performance Period.

As described above, the annual effective hurdle rate is non-cumulative and the Gross NAV of the relevant Class on a Start Date will be based on the Net Asset Value per Unit of that Class as at the End Date of the preceding Performance Period for the purpose of computing Performance Fee. **This means that both the Gross NAV and the Hurdle Value are calculated on the basis of a single Performance Period and correspondingly, will not be carried over from one Performance Period to the next.** For example, if the Gross NAV as at the End Date of the first Performance Period only exceeds 5% of the Net Asset Value as at the Start Date of the first Performance Period, we are not entitled to the Performance Fee as the Gross NAV has not exceeded the Hurdle Value. The Net Asset Value per Unit of the relevant Class as at this first End Date will then form the basis for the calculation of the Performance Fee for the second Performance Period. If Gross NAV as at the End Date of the second Performance Period exceeds 6% of the Net Asset Value as at the Start of the second Performance Period, we are entitled to the Performance Fee as the Gross NAV has exceeded the Hurdle Value as at the End Date of the second Performance Period (assuming that the HWM is also exceeded). **Please therefore note that we may be paid the Performance Fee for any single Performance Period when**

in fact the cumulative performance of the relevant Class from, for example, the inception till the end of that Performance Period does not exceed 6% per annum.

(iii) Numerical example of calculation of Performance Fee

A hypothetical example of Performance Fee determination is as follows:

Year	Gross NAV (Start Date) (A)	Gross NAV (End Date) (B)	Return = (B – A)/A	Performance Fee payable?
1	01.01.2014 S$1.00000	31.12.2014 S$1.05000	5.00%	HWM (hypothetical) = S$1.00000 Hurdle Value (applying 6%) = S$1.06000 No, Gross NAV (End Date) exceeded the HWM but not the Hurdle Value.
2	01.01.2015 S$1.05000	31.12.2015 S$1.03000	-1.90% (approx.)	HWM = S$1.05000 (reset) Hurdle Value (applying 6%) = S$1.11300 No, Gross NAV (End Date) does not exceed the Hurdle Value and the HWM.
3	01.01.2016 S$1.03000	31.12.2016 S$1.07000	3.88% (approx.)	HWM = S$1.05000 (no reset) Hurdle Value (applying 6%) = S$1.09180 No, Gross NAV (End Date) exceeded the HWM but not the Hurdle Value.
4	01.01.2017 S$1.07000	31.12.2017 S$1.15000	7.48% (approx.)	HWM = S$1.07000 (reset) Hurdle Value (applying 6%) = S$1.13420 Yes, Gross NAV (End Date) exceeded the Hurdle Value and the HWM. Performance Fee per Unit = 10% x (S$1.15000 - S$1.13420) = S$0.00158 per Unit Net Asset Value per Unit (after deduction of Performance Fee) = S$1.15000 - S$0.00158 = S$1.14842 ***Performance Fee is payable even though the annualised return from 01.01.2014 to 31.12.2017 (approx. 3.7%) did not exceed 6% per annum in Year 4.***

A hypothetical example of Performance Fee determination if you realise your Units before the end of the Performance Period (Year 3) is as follows:

Gross NAV (Start Date) (A)	Gross NAV (Realisation Point) (C)	Return = (C– A)/A (for 5 months)	Performance Fee payable?
01.01.2016 S$1.03000	31.05.2016 S$1.08000	4.85% (approx.)	HWM = S$1.05000 (no reset) Hurdle Value (applying 6% per annum over 5 months) = S$1.05575 Yes, Gross NAV (Realisation Point) exceeded the Hurdle Value and the HWM. Performance Fee per Unit = 10% x (S$1.08000 - S$1.05575) = S$0.00243 per Unit ***Performance Fee is payable on Units realised on 31.05.2016 although the Gross NAV as at 31.12.2016 (see earlier table) did not exceed the Hurdle Value as at 31.12.2016.***

I.3 Fees and charges of the Underlying Funds

The fees and charges of FSCF are set out in Paragraph F of Annex 2. The Preliminary Charge, Realisation Charge and Switching Fee of FSCF are currently waived for FAIR. The Management Fee of FSCF will be fully rebated to FAIR.

The fees and charges of the Fullerton Lux Sub-Funds are set out below:

Fees and Charges Payable by the Sub-Fund				
	LAGIE	**LHCAE**	**LAAA**	**LABF**
Initial charge	Currently waived, Up to 5%			
Redemption charge	Currently waived, Up to 2%			
Fees Payable out of the Fullerton Lux Sub-Fund				
	LAGIE	**LHCAE**	**LAAA***	**LABF**
Management company fee	Up to 0.04% p.a. of the net asset value of the relevant Fullerton Lux Sub-Fund			
Management fee (fully rebated to FAIR)	Up to 1.5% p.a.	Up to 1.75% p.a.	Up to 1.5% p.a.	Up to 1.0% p.a.
Depositary fee	Up to 0.5% p.a. of the average net asset values of the different sub-funds of Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)			
Fees for administrative, registrar and transfer and domiciliary services	Up to 0.05% p.a. of the net asset value of the Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)			

* LAAA may impose a performance fee, which will be fully rebated to FAIR.

Other expenses may be charged to the Fullerton Lux Sub-Funds, including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Fullerton Lux Sub-Funds may be marketed in different countries; expenses incurred in the issue, switch and realisation of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

I.4 Fees and charges of any other collective investment scheme that FAIR may invest less than 30% of its Net Asset Value

Fees and Charges Payable by the Sub-Fund to each scheme	
Preliminary charge	Ranging from 0% to 5%
Realisation charge	Ranging from 0% to 5%
Switching fee	Ranging from 0% to 2%
Fees and Charges Payable out of each scheme	
Management fee	Ranging from 0% p.a. to 2% p.a.
Other fees (which may include but are not limited to fees paid to the trustee, depositary or custodians; legal fees; audit fees; fund administration fees and transfer agency fees)	Each fee ranging from 0% p.a. to 0.5% p.a.
Performance fee (if any)	Ranging from 0% to 25%

The above reflects estimated potential fees and charges to the best of our knowledge. The exact fees and charges payable to or out of other collective investment schemes are not ascertainable on an ongoing basis, and the information on some fees and charges may not be available. As such, we cannot be certain that all fees and charges which may be 0.1% or more of the other collective investment scheme's net asset value have been disclosed. Further, the above does not take into account the fees and charges of any collective investment scheme that FAIR may invest less than 10% of its Net Asset Value since they are (in relation to each collective investment scheme) not likely to amount to 0.1% of FAIR's Net Asset Value.

Whilst we may try to seek waivers or rebates to FAIR of the fees and charges, we may not be successful in doing so.

The estimates should not be used or construed as a proxy, prediction, forecast or projection of the actual or future fees and charges of any collective investment scheme that FAIR may invest in.

J. Specific Risks of Investments in FAIR

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

Please note that the base currency of FAIR and the Fullerton Lux Sub-Funds is the US Dollar, and that Class B and D Units of FAIR are denominated in US Dollars. If you invest in Class A and C Units of FAIR, which are denominated in Singapore Dollars, there is the prospect of additional loss (or the prospect of additional gain) greater than the usual risks of investment arising from exchange rate fluctuations.

Further, where the underlying investments of FAIR are not denominated in US Dollars, an appreciation of the US Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into US Dollars. Conversely, a depreciation of the US Dollar against other currencies adds to the returns from investments in those countries when converted back into US Dollars.

We may manage the currency risk of FAIR by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FAIR may not be fully hedged. The currency hedging transactions (if any) may reduce FAIR's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

The risk of additional loss (or the prospect of additional gain) arising from exchange rate fluctuations also arises where the currency of a Class of Units varies from your home currency. We currently do not intend to hedge against the foreign currency exposure of Class B and D Units of FAIR and you will be exposed to exchange rate risks.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FAIR's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FAIR. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when such security is held or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the relevant investment manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the relevant investment manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the relevant investment manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

(5) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

(6) Liquidity Risk

FAIR is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FAIR, and can also have an impact on the value of Units of FAIR. Although FAIR will invest in, amongst others, collective investment schemes and other investment funds (including ETFs) in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds are not readily redeemable. Absence of liquidity may have a detrimental impact on FAIR and the value of its investments.

(7) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FAIR and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FAIR. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(8) Emerging Markets Risk

In emerging and less developed markets, to which FAIR may be exposed, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, you should ensure that you understand the risks involved and are satisfied that an investment is suitable as part of your portfolio before investing. You should invest in emerging and less developed markets only if you have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

(9) Commodities Risk

FAIR may use debt securities and/or ETFs to gain exposure to the performance of commodity equities and futures. Examples of the underlying commodities include, without limitation, oil, natural gas, coal, gold, silver, platinum, palladium, copper, aluminium, nickel, zinc, iron, steel, lead, tin, wheat, soya bean, cocoa, corn, coffee, sugar, cotton, hogs and cattle.

The prices of commodity equities and futures are influenced by various macroeconomic factors such as changing supply and demand relationships, climatic and geopolitical conditions, disease and other natural phenomena, agricultural, trade, fiscal, monetary and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

The volatility of FAIR will depend to a certain extent on the correlation between different commodities or classes of commodities to which FAIR is exposed and that such correlation may vary from time to time. Should two or more commodities or classes of commodities to which FAIR is exposed become highly correlated, their performance will have a greater impact on the performance of FAIR and FAIR may be subject to greater or more rapid fluctuations in value than would be the case if they were not highly correlated.

Where FAIR has exposure to more than one commodity or commodity index at any time, some of the commodities and/or commodity indices may be highly correlated and therefore treated as giving exposure to the same commodity. As and when required, we apply an internal statistical model to monitor correlations between the commodities and/or commodity indices to which FAIR is exposed to, using historical correlation data based on the returns of each commodity or commodity index. Currently, the model computes the correlation and significance levels between the commodities and/or commodity indices by examining 5 years of historical returns data. Such period or periods may be adjusted at our discretion in the event that any historical data is not available. If the correlation is higher than 0.7, we will regard such commodities and/or commodity indices as being "highly correlated" with each other and FAIR's exposure to such commodities and/or commodity indices will be aggregated for the purpose of compliance with the Code. The correlations between the commodities and/or commodity indices over the most recent 1 year ("**short-term correlation**") are also compared against the corresponding correlations over a prior 4 year period to identify any drift in correlation.

(10) Risk Associated with Income for Distribution

Please note that income of FAIR (if any) will be distributed to Holders in our absolute discretion. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(11) Performance Fee Risk

We are entitled to performance fees in respect of Class C and D Units of FAIR based on the Net Asset Value of the relevant Class exceeding a hurdle rate and high water mark. While such performance fees may encourage us to make investments with higher potential returns (and accordingly higher risk) than funds without performance fee incentives, your liability is, however, limited to your investment in these classes of FAIR.

K. Additional Risks Arising from FAIR's Investments in the Underlying Funds and/or Other Collective Investments Schemes or Investment Funds (including ETFs)

(1) Underlying Fund Risk

As FAIR may invest substantially in one or more of the Underlying Funds and may invest in other collective investments schemes or investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying funds may jeopardise FAIR's investment in such underlying fund(s).

(2) Concentration Risk

FAIR's investment approach does not mandate diversification. Also, FAIR will have a high percentage of its assets invested in one or more of the Underlying Funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FAIR may be subject to more rapid change in value than would be the case if FAIR were required to maintain a diversified portfolio of investments.

(3) Multiple Levels of Expenses

The underlying funds have fees and expenses that are borne by FAIR. As a result, you will be subject to fees and expenses at FAIR's level and at the underlying funds' level. As a consequence, the direct and indirect costs borne by FAIR are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes which invest directly in equity and bond markets.

The managers of the underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying funds, but they are not similarly penalised for realised or unrealised losses.

(4) Risks of Investing in ETFs

Although FAIR may invest in ETFs which track the performance of designated indices, the trading price of the ETFs may differ from the ETFs' net asset value. While the value of the ETFs will generally fluctuate with changes in the market value of the index shares[37], it will also fluctuate in accordance with changes in the supply and demand for the units in the ETFs on the regulated markets. It is impossible to predict whether units in an underlying ETF of FAIR will trade at, above or below their value at any given time.

Underlying ETFs investing in swap(s) and/or FDIs will be exposed to counterparty risk, which is the risk that the party trading with the relevant underlying ETF will be unable to meet its obligation to make payments or to settle a trade by the counterparty. Moreover, should a counterparty become bankrupt or insolvent, such underlying ETFs may incur significant losses, including declines in the value of its investment during the period in which the relevant underlying ETF seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The above transactions may also be terminated due to certain events, such as bankruptcy, supervening illegality or change in the tax or accounting laws relative to those in force at the time the transactions were entered into.

(5) Regulatory Risk

The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, a Fullerton Lux Sub-Fund may be registered in non-EU jurisdictions, which means that the relevant Fullerton Lux Sub-Fund may be subject to more restrictive regulatory regimes. In such cases, the relevant Fullerton Lux Sub-Fund will abide by these more restrictive requirements. This may prevent the relevant Fullerton Lux Sub-Fund from making the fullest possible use of their investment limits.

(6) Risks Relating to LABF's Investments in Asset Backed Securities and Mortgage Backed Securities

Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.

(7) Risks Relating to Investments in China by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in China. A Fullerton Lux Sub-Fund that invests in China may be subject to the risks as set out in Paragraph 10.3.

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[37] "**Index shares**" means the shares listed on the regulated market being the shares of the companies which are constituent components of the respective index.

(8) Investment in P-Notes by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in P-Notes.

An investment in P-Notes entitles the holder to certain cash payments calculated by reference to the underlying equity securities to which the instrument is linked. It is not an investment directly in the equity securities themselves. The holder is not entitled to the beneficial interest in the equity securities or to make any claim against the company issuing the equity securities.

P-Notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the investment strategy for the relevant Fullerton Lux Sub-Fund due to restrictions on the issuer acquiring or disposing of the equity securities underlying the P-Notes. Investment in P-Notes can be illiquid as there is no active market in P-Notes. In order to meet realisation requests, the Fullerton Lux Sub-Fund relies on the counterparty issuing the P-Notes to quote a price to unwind any part of the P-Notes. This price will reflect market liquidity conditions and the size of the transaction.

By seeking exposure to investments in certain listed equity securities through P-Notes, the Fullerton Lux Sub-Fund is taking on the credit risk of the issuer of the P-Notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fullerton Lux Sub-Fund to suffer a loss. The Fullerton Lux Sub-Fund is exposed to the risk of default by issuers of P-Notes and it stands as unsecured creditor in the event of such default. While the investment manager of the Fullerton Lux Sub-Fund will endeavour to manage counterparty risks by investing in P-Notes issued by at least two to three counterparties, the Fullerton Lux Sub-Fund's exposure to such counterparties may not be equally diversified as not all issuers may be able to provide access to specific equity securities if they are subject to any investment and market restrictions.

Due to the comparatively higher costs of investing in a P-Note, investment through P-Notes may cause a dilution of performance of the Fullerton Lux Sub-Fund when compared to a fund investing directly in similar assets. In addition, when the Fullerton Lux Sub-Fund intends to invest in a particular equity security through a P-Note, application moneys for units in the Fullerton Lux Sub-Fund may not be immediately invested in such equity security through P-Notes as this depends on the availability of P-Notes linked to such equity security. This may impact the performance of the Fullerton Lux Sub-Fund.

(9) Currency Risks Relating to Investments by the Fullerton Lux Sub-Funds which are Denominated in RMB and in Other Asian Currencies

The RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing QFIIs) imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fullerton Lux Sub-Funds or their investors may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements.

Relevant policies may affect the ability of the Fullerton Lux Sub-Funds to convert between RMB and other currencies, applicable exchange rate and cost of conversion. Conversion may become more difficult or impossible and the RMB may be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market and reducing the liquidity of the Fullerton Lux Sub-Funds.

The appreciation of the RMB may be accelerated, which may result in it becoming more costly to the Fullerton Lux Sub-Funds to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, the RMB may depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.

The risks relating to investments denominated in RMB as described in the preceding paragraphs may also apply to investments which are denominated in other Asian currencies.

(10) Risks associated with the Stock Connects

The Fullerton Lux Sub-Funds that invest in China "A" Shares listed on PRC Stock Exchanges through the Stock Connects may be subject to the risks as set out in Paragraph 10.1.14.

The above is not an exhaustive list of the risks to consider before investing. FAIR may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FAIR has potential for high volatility due to its investment policies or portfolio management techniques.

L. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FAIR (Class A) (S$) Inception: 15 Apr 2013					
Single NAV (adjusted)	-2.15	1.51	3.20	-	2.88
Single NAV (unadjusted)	1.77	2.84	4.01	-	3.51
FAIR (Class B) (US$) Inception: 15 Apr 2013					
Single NAV (adjusted)	-3.27	1.65	2.14	-	2.00
Single NAV (unadjusted)	0.60	2.99	2.94	-	2.62

Source: Fullerton Fund Management Company Ltd.

Due to the investment strategy of FAIR, there is no benchmark against which the performance of FAIR may be accurately measured.

M. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FAIR (except for Class C and Class D Units) is:

Class	Expense Ratio
Class A	**1.59**%
Class B	**1.59**%

The turnover ratio of FAIR is **134.72**%.

The turnover ratios for the Underlying Funds are as follows:

Underlying Fund	Turnover Ratio
LAGIE	**42.35**%
LHCAE	**119.60**%
LAAA	**182.80**%
LABF	**33.45**%
FSCF	**2,838.25**%

The turnover ratios of the Underlying Funds are calculated based on the lesser of purchases or sales of underlying investments of the relevant Underlying Fund expressed as a percentage of its average daily net asset value.

N. Product Suitability

Investing in FAIR is <u>only</u> suitable for investors who:

(a) seek long-term capital appreciation and regular income; and

(b) are comfortable with the greater volatility and risks of a fund exposed to fixed income or debt securities denominated in US$ and Asian currencies (which may include non-investment grade securities) and to Asian equities with high dividend yields primarily via collective investment schemes and other investment funds (including ETFs), and emerging markets.

Annex 9 – Fullerton USD Income Fund

A. Investment Objective of FUSIF

The investment objective of FUSIF is to generate long-term capital appreciation and/or income for investors by investing primarily in fixed income or debt securities.

B. Investment Focus and Approach of FUSIF

We seek to add value from interest rate accruals, selection of bonds and/or credits and duration management (optimisation of bond returns by selecting bonds with different terms to maturity).

Our investment process is a combination of top-down macro research and bottom-up analysis. Economic research and monetary policy analysis is the basis for arriving at the interest rate outlook and bottom-up analysis forms the basis for credit selection and yield curve positioning. Within this framework, we will evaluate fixed income and debt securities to determine their fair value and formulate the duration and credit strategies for FUSIF.

FUSIF will invest in a diversified portfolio of primarily investment grade fixed income or debt securities having a minimum long-term credit rating of BBB- by Fitch, Baa3 by Moody's or BBB- by Standard & Poor's (or their respective equivalents) and cash. The investments of FUSIF will be broadly diversified with no specific geographical or sectoral emphasis.

FUSIF may also invest in non-investment grade bonds (i.e. bonds with a long-term credit rating of less than BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)) of up to 30% of its Net Asset Value. Non-rated bonds will be subject to our internal rating process and will follow our internal equivalent rating of investment grade or non-investment grade accordingly.

In normal market conditions, the Managers aim to invest at least 50% of FUSIF's Net Asset Value in US Dollar denominated bonds. The Managers may, in circumstances where they deem is in the interest of FUSIF, invest less than 50% of FUSIF's Net Asset Value in US Dollar denominated bonds.

FUSIF may also invest in foreign currency denominated bonds including but not limited to Singapore Dollar, Euro, Japanese Yen and Australian Dollar.

We may use FDIs for hedging and efficient portfolio management purposes.

We may also invest in other Authorised Investments.

C. Base Currency

The base currency of FUSIF is the US Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

The income of accumulating classes will be reinvested and will not be distributed. In respect of the distributing classes, our current intention is to declare quarterly distribution out of the income and/or capital of FUSIF.

Please note that the making of distributions is not guaranteed. If distributions are made, such distributions are not a forecast, indication or projection of the future performance of FUSIF. The making of any distribution does not imply that further distributions will be made. We reserve the right to vary the frequency and/or amount of distributions (if at all).

Distributions may be made out of the capital of FUSIF. Please note the risks of distributions out of capital described in Paragraph 10.1.13.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A (S$-Hedged) ^*	S$	Available for subscription generally.	None	None
Class B (US$)	US$	Available for subscription generally.	None	None
Class C (AUD-Hedged)^	AUD	Available for subscription generally.	None	None
Class D (EUR-Hedged)^	EUR	Available for subscription generally.	None	None
Class E (GBP-Hedged)^	GBP	Available for subscription generally.	None	None
Class F (US$)	US$	Available for subscription generally.	US$30 million	US$10 million
Class G (US$)#	US$	Available for subscription generally.	US$50 million+	US$10 million+
Class H (HK$)#	HK$	Available for subscription generally.	None	None
Class R (US$)	US$	Class R Units are available to retail investors in certain circumstances when investing through distributors, financial advisors, platforms or other intermediaries (each an "**Intermediary**" and together the "**Intermediaries**") on the basis of a separate agreement or fee arrangement between the investor and an Intermediary, to which we and the Trustee are not a party to or liable under. For the avoidance of doubt, (i) Class R Units may be offered in jurisdictions where the Intermediaries or their nominees do not require commission or are not eligible to receive commission under the adviser charging rules, and (ii) Preliminary Charge for Class R Units will not be paid to Intermediaries.	None	None

^ Please note that the class currencies of Class A (S$-Hedged), Class C (AUD-Hedged), Class D (EUR-Hedged) and Class E (GBP-Hedged) will be hedged against the base currency of FUSIF (US$). Please see "Currency Risk" section below for details.

* Denotes availability for SRS subscription.

# Denotes accumulating class. Classes without this indication are distributing classes.

+ This may be waived or varied in our absolute discretion.

There is no minimum amount for partial realisations for each Class of FUSIF.

F. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class R (US$) Units: US$1.00000 Class H (HK$) Units: HK$10.000
Initial Offer Period	The initial offer period will be for such period and at such time, as we may determine in our absolute discretion.

G. Conditions to the launch of a Class

The Managers reserve the right not to proceed with the launch of any Class in the event that the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the launch.

In such event, the Class will be deemed not to have commenced and the Managers may notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after the close of the initial offer period.

H. Fees and Charges

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund[(b)]	
Trustee Fee, Registrar Fee and Valuation Fee[(c)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$15,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A (S$-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class B (US$) Units: Currently 0.8% p.a., Maximum 1% p.a. Class C (AUD-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class D (EUR-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class E (GBP-Hedged) Units: Currently 0.8% p.a., Maximum 1% p.a. Class F (US$) Units: Currently 0.6% p.a., Maximum 1% p.a. Class G (US$) Units: Currently 0.4% p.a., Maximum 1% p.a. Class H (HK$) Units: Currently 0.8% p.a., Maximum 1% p.a. Class R (US$) Units: Currently 0.5% p.a., Maximum 1% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(d)] (payable to the Auditors), custody and transaction fees[(e)] (payable to the Trustee and the Custodian) and other fees and charges[(f)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable).

The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

[(b)] For fees payable by the Sub-Fund and calculated based on the Net Asset Value, such fees will be computed before taking into account any Dilution Adjustment. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

[(c)] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(d)] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(e)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(f)] "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

I. Specific Risks of Investments in FUSIF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Credit Risk

Investments in debt securities are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of Units of FUSIF. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(2) Liquidity Risk

We anticipate some liquidity risk in the fixed income markets owing to the portfolio size of FUSIF relative to the size of the markets. Liquidity may restrict the ease with which such securities may be bought or sold.

(3) Interest Rate Risk

Investments in fixed income securities are subject to interest rate fluctuations. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes.

(4) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FUSIF and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FUSIF. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(5) Currency Risk

FUSIF may be affected favourably or unfavourably by changes in currencies and exchange control regulations. The income earned by FUSIF may be affected by fluctuations in foreign exchange rates. We may manage the currency risk by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FUSIF may not be fully hedged.

For Class A (S$-Hedged), Class C (AUD-Hedged), Class D (EUR-Hedged) and Class E (GBP-Hedged) (the "**Hedged Classes**"), we intend to hedge the respective class currencies (S$, AUD, EUR and GBP) against the base currency of FUSIF (US$) but this may not be fully hedged. The hedging of the Hedged Classes may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(6) Risk Associated with Income for Distribution

Please note that income of FUSIF (if any) may be distributed to Holders in our absolute discretion. Sources of income for distribution include dividend derived from the securities of companies in which FUSIF invests. Such dividend and/or interest income may be adversely affected by events such as the relevant companies suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(7) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

The above is not an exhaustive list of the risks to consider before investing. FUSIF may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FUSIF has potential for high volatility due to its investment policies or portfolio management techniques.

J. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FUSIF (Class A) (S$-Hedged) Inception: 15 Apr 2016					
Single NAV (adjusted)	5.38	2.14	-	-	3.03
Single NAV (unadjusted)	8.55	3.15	-	-	3.92
FUSIF (Class B) (US$) Inception: 15 Apr 2016					
Single NAV (adjusted)	6.22	2.81	-	-	3.55
Single NAV (unadjusted)	9.41	3.82	-	-	4.44
FUSIF (Class C) (AUD-Hedged) Inception: 15 Apr 2016					
Single NAV (adjusted)	5.75	2.88	-	-	3.82
Single NAV (unadjusted)	8.92	3.90	-	-	4.71

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FUSIF (Class D) (EUR-Hedged) Inception: 15 Apr 2016					
Single NAV (adjusted)	2.95	0.25	-	-	1.17
Single NAV (unadjusted)	6.04	1.24	-	-	2.04
FUSIF (Class E) (GBP-Hedged) Inception: 15 Apr 2016					
Single NAV (adjusted)	4.38	1.38	-	-	2.32
Single NAV (unadjusted)	7.51	2.39	-	-	3.19
FUSIF (Class F) (US$) Inception: 8 May 2017					
Single NAV (adjusted)	6.44	-	-	-	3.16
Single NAV (unadjusted)	9.63	-	-	-	4.44
FUSIF (Class G) (US$) Inception: 12 Dec 2017					
Single NAV (adjusted)	6.65	-	-	-	2.99
Single NAV (unadjusted)	9.85	-	-	-	4.70

Source: Fullerton Fund Management Company Ltd.

As FUSIF is managed on a total return basis, there is no benchmark against which the performance of FUSIF may be accurately measured.

To counter the impact of significant net transactions on any Dealing Day, we may apply Dilution Adjustment in the calculations of the Net Asset Value and performance figures are calculated after taking into account any Dilution Adjustment. Therefore, the returns of FUSIF may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of the underlying investments of FUSIF. The use of Dilution Adjustment to calculate performance returns may increase the variability of FUSIF's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

K. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FUSIF (except for Class H (HK$) and Class R Units) is:

Class	Expense Ratio
Class A (S$-Hedged)	**0.80**%
Class B (US$)	**0.80**%
Class C (AUD-Hedged)	**0.80**%
Class D (EUR-Hedged)	**0.80**%
Class E (GBP-Hedged)	**0.80**%
Class F (US$)	**0.60**%
Class G (US$)	**0.40**%

The turnover ratio of FUSIF is **13.50**%.

L. Product Suitability

Investing in FUSIF is only suitable for investors who:

(a) seek long-term capital appreciation and/or income; and

(b) are comfortable with the risks of a fund which invests in a diversified portfolio comprising primarily of investment grade fixed income or debt securities.

Annex 10 – Fullerton Premium Fund

A. Investment Objective of FPF

The investment objective of FPF is to generate regular income and long term capital appreciation for investors by investing into various asset classes.

B. Investment Focus and Approach of FPF

FPF may invest in collective investment schemes, other investment funds, exchange traded funds ("**ETFs**"), real estate investment trusts ("**REITs**"), listed and unlisted securities (including but not limited to equities, fixed income/debt securities and securitised/asset-backed instruments), alternative instruments (including but not limited to listed and OTC financial derivative instruments ("**FDIs**")), money market instruments, cash deposits and other permissible investments as the Managers deem appropriate in order to achieve its investment objective and asset allocation strategy.

FPF may opportunistically allocate into other alternative asset classes (including but not limited to private equities and commodities) for additional diversification.

FPF may use FDIs for hedging, efficient portfolio management, optimising returns or a combination of all three objectives.

FPF may invest up to 30% or more of its Net Asset Value into any of the underlying funds set out below (each an "**Underlying Fund**" and collectively, the "**Underlying Funds**") or in any other collective investment scheme as notified by us from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at our sole discretion.

S/N	Underlying Funds
1	Fullerton Lux Funds – Asia Growth & Income Equities ("LAGIE")
2	Fullerton Lux Funds – Asia Focus Equities ("LHCAE")
3	Fullerton Lux Funds – Asia Absolute Alpha ("LAAA")
4	Fullerton Lux Funds – Asian Bonds ("LABF")
5	Fullerton SGD Cash Fund ("FSCF")

Please note that FPF may also invest less than 30% of its Net Asset Value into any other collective investment scheme not listed above.

Save for FSCF, the Underlying Funds are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the "**Fullerton Lux Sub-Fund**" and collectively, the "**Fullerton Lux Sub-Funds**".

FSCF is a sub-fund of the Fund and its details are set in Annex 2 – Fullerton SGD Cash Fund.

The investment objectives, policies and approach of the Fullerton Lux Sub-Funds are as follows:

Fullerton Lux Sub-Funds	Investment objective and policies
LAGIE	The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LAGIE, we seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents.

	LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value. The Asian countries in which LAGIE may invest excludes Japan.
LHCAE	The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LHCAE, we seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value. The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.
LAAA	The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income. As the investment manager of LAAA, we seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. We may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value. LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital. The Asia Pacific countries in which LAAA may invest excludes Japan.
LABF	The investment objective of LABF is to generate long-term capital appreciation for investors. As the investment manager of LABF, we seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US$ and Asian currencies, issued by companies, governments, quasi-governments,

	government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

As the investment manager of the Fullerton Lux Sub-Funds, we seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on our expertise in bottom-up stock selection, which we believe provides the greatest opportunities for alpha generation. We adopt a bottom-up approach to portfolio construction. Our investment process centres on bottom-up fundamental research and we seek to populate our portfolio with the best bottom-up ideas we are able to identify.

We seek to achieve the investment objective of LABF by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. We believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

C. Expected asset allocation and active asset allocation

Below is the expected neutral asset allocation and the active asset allocation range for the Sub-Fund:

Reference Asset Allocation	Active Asset Allocation
Equities: 70% Fixed income/money market instruments/cash: 10% Alternatives/Securitised or asset-backed instruments: 20%	Equities: 0-100% Fixed income/money market instruments/cash: 0-100% Alternatives/Securitised or asset-backed instruments: 0-20%

We may, from time to time and at our sole discretion, vary the percentage of the Net Asset Value of the Sub-Fund that is exposed to the various asset classes, including the asset allocation stated above.

D. Managers of the Underlying Funds

We are the managers of FSCF.

Lemanik Asset Management S.A. (the "**Management Company**") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed collective investment schemes or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to us and have appointed us as the investment manager of the Fullerton Lux Sub-Funds. Our details are set out in Paragraph 2.

E. Use of Financial Derivative Instruments

FPF may employ FDIs for hedging, efficient portfolio management purposes (namely, managing risks), optimising returns or a combination of all three objectives.

We presently do not intend to use FDIs for FSCF.

The Fullerton Lux Sub-Funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LABF to create synthetic instruments and by LAGIE, LHCAE and LAAA to create market exposures. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux Sub-Funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux Sub-Funds and may increase the counterparty risk of the Fullerton Lux Sub-Funds.

F. Waiver of Investment Restrictions

The Authority has granted FPF a waiver of certain provisions of the Core Investment Guidelines. Subject to the conditions imposed by the Authority, FPF may invest in private equity funds, capped at 10% of its Net Asset Value in aggregate with the alternative exposures allowed under paragraph 2.13 of the Core Investment Guidelines.

G. Base Currency

The base currency of FPF is the Singapore Dollar.

H. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

The income of accumulating classes will be reinvested and will not be distributed. In respect of the distributing classes, our current intention is to declare monthly distribution out of <u>income and/or capital</u> of FPF. Monthly distributions may be declared in the range of 2% p.a. to 4% p.a..

Please note that the making of distributions is not guaranteed. If distributions are made, such distributions are not a forecast, indication or projection of the future performance of FPF. The making of any distribution will not imply that further distributions will be made. We reserve the right to vary the frequency and/or amount of distributions (if at all).

Distributions may be made out of the capital of FPF. Please note the risks of distributions out of capital described in Paragraph 10.1.13.

I. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A *#	S$	Currently intended to be offered and made available only to our affiliated or related companies and such other persons and entities as we may determine in our absolute discretion.	None	None
Class B *#	S$	Available for subscription generally.	None	None
Class C *	S$	Available for subscription generally.	None	None
Class D #	US$	Available for subscription generally.	None	None
Class E	US$	Available for subscription generally.	None	None
Class F (AUD-Hedged) ^	AUD	Available for subscription generally.	None	None
Class R *#	S$	Class R Units are available to retail investors in certain circumstances when investing through distributors, financial advisors, platforms or other intermediaries (each an "**Intermediary**" and together the "**Intermediaries**") on the basis of a separate agreement or fee arrangement between the investor and an Intermediary, to which we and the Trustee are not a party to or liable under. For the avoidance of	None	None

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
		doubt, (i) Class R Units may be offered in jurisdictions where the Intermediaries or their nominees do not require commission or are not eligible to receive commission under the adviser charging rules, and (ii) Preliminary Charge for Class R Units will not be paid to Intermediaries.		

* Denotes availability for SRS subscription.

# Denotes accumulating class. The other Classes are distributing classes.

^ Please note that the class currency of Class F (AUD-Hedged) will be hedged against the base currency of FPF (S$). Please see “Currency Risk” section below for details.

There is no minimum amount for partial realisations for each Class of FPF.

J. Regular Savings Plan

The agents or distributors may, at their discretion, offer a RSP for the above Classes. Please see Paragraph 11.8 for further details.

K. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B Units: S$1.00000 Class D Units: US$1.00000 Class E Units: US$1.00000 Class F (AUD-Hedged) Units: AUD1.00000 Class R Units: S$1.00000
Initial Offer Period	The initial offer period in respect of each Class of Units will be for such period and at such time, as we may determine in our absolute discretion.

The Managers reserve the right not to proceed with the launch of Class F (AUD-Hedged) in the event that (a) the capital raised for this Class as at the close of the initial offer period is less than AUD 5,000,000 or (b) the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the launch.

In such event, Class F (AUD-Hedged) will be deemed not to have commenced and the Managers may notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after the close of the initial offer period.

L. Fees and Charges

L.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0% p.a., Maximum 1.5% p.a. Class B, C, D, E and F (AUD-Hedged) Units: Currently 1.3% p.a., Maximum 1.5% p.a. Class R Units: Currently 0.7% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the “Current” amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the “Maximum” amount as stated above.

[(b)] The registrar fee and valuation fee are subject to agreement with the relevant parties. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the registrar fee and valuation fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(c)] The audit fee is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the audit fee did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(d)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, each of the custody fee and the transaction fees did not amount to or exceed 0.1% based on the average Net Asset Value of the Sub-Fund for that financial year.

[(e)] “Other fees and charges” include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Sub-Fund for the financial year ended 31 March 2019, the aggregate of such fees and charges amounted to 0.31% based on the average Net Asset Value of the Sub-Fund for that financial year.

L.2 Fees and charges of the Underlying Funds

The fees and charges of FSCF are set out in Paragraph F of Annex 2. The Preliminary Charge, Realisation Charge and Switching Fee of FSCF are currently waived for FPF. The Management Fee of FSCF will be fully rebated to FPF.

The fees and charges of the Fullerton Lux Sub-Funds are set out below:

Fees and Charges Payable by the Sub-Fund				
	LAGIE	**LHCAE**	**LAAA**	**LABF**
Initial charge	Currently waived, Up to 5%			
Redemption charge	Currently waived, Up to 2%			
Fees Payable out of the Fullerton Lux Sub-Fund				
	LAGIE	**LHCAE**	**LAAA***	**LABF**
Management company fee	Up to 0.04% p.a. of the net asset value of the relevant Fullerton Lux Sub-Fund			
Management fee (fully rebated to FPF)	Up to 1.5% p.a.	Up to 1.75% p.a.	Up to 1.5% p.a.	Up to 1.0% p.a.
Depositary fee	Up to 0.5% p.a. of the average net asset values of the different sub-funds of Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)			
Fees for administrative, registrar and transfer and domiciliary services	Up to 0.05% p.a. of the net asset value of the Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)			

* LAAA may impose a performance fee, which will be fully rebated to FPF.

Other expenses may be charged to the Fullerton Lux Sub-Funds, including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Fullerton Lux Sub-Funds may be marketed in different countries; expenses incurred in the issue, switch and realisation of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

L.3 Fees and charges of any other collective investment scheme that FPF may invest less than 30% of its Net Asset Value

Fees and Charges Payable by the Sub-Fund to each scheme	
Preliminary charge	Ranging from 0% to 5%
Realisation charge	Ranging from 0% to 5%
Switching fee	Ranging from 0% to 2%
Fees and Charges Payable out of each scheme	
Management fee	Ranging from 0% p.a. to 2% p.a.
Other fees (which may include but are not limited to fees paid to the trustee, depositary or custodians; legal fees; audit fees; fund administration fees and transfer agency fees)	Each fee ranging from 0% p.a. to 0.5% p.a.
Performance fee (if any)	Ranging from 0% to 25%

The above reflects estimated potential fees and charges to the best of our knowledge. The exact fees and charges payable to or out of other collective investment schemes are not ascertainable on an ongoing basis, and the information on some fees and charges may not be available. As such, we cannot be certain that all fees and charges which may be 0.1% or more of the other collective investment scheme's net asset value have been disclosed. Further, the above does not take into account the fees and charges of any collective investment scheme that FPF may invest less than 10% of its Net Asset Value since they are (in relation to each collective investment scheme) not likely to amount to 0.1% of FPF's Net Asset Value.

Whilst we may try to seek waivers or rebates to FPF of the fees and charges, we may not be successful in doing so.

The estimates should not be used or construed as a proxy, prediction, forecast or projection of the actual or future fees and charges of any collective investment scheme that FPF may invest in.

M. Specific Risks of Investments in FPF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

Where the underlying investments of FPF are not denominated in Singapore Dollars (including the Fullerton Lux Sub-Funds, which are denominated in US Dollars), an appreciation of the Singapore Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into Singapore Dollars. Conversely, a depreciation of the Singapore Dollar against other currencies adds to the returns from investments in those countries when converted back into Singapore Dollars.

We may manage the currency risk of FPF by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FPF may not be fully hedged. The currency hedging transactions (if any) may reduce FPF's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

For Class F (AUD-Hedged), we intend to hedge the class currency (AUD) against the base currency of FPF (S$). For other Classes not expressed in the base currency of FPF, we may hedge the respective class currency against the base currency of FPF (S$). In all cases, the currency risk may not be fully hedged. The hedging may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FPF's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FPF. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when such security is held or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the relevant investment manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the relevant investment manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the relevant investment manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

(5) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

(6) Liquidity Risk

FPF is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FPF, and can also have an impact on the value of Units of FPF. Although FPF will invest in, amongst others, collective investment schemes and other investment funds (including ETFs) in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds are not readily redeemable. Absence of liquidity may have a detrimental impact on FPF and the value of its investments.

(7) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FPF and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FPF. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(8) Emerging Markets Risk

In emerging and less developed markets, to which FPF may be exposed, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, you should ensure that you understand the risks involved and are satisfied that an investment is suitable as part of your portfolio before investing. You should invest in emerging and less developed markets only if you have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

(9) Commodities Risk

FPF may use debt securities and/or ETFs to gain exposure to the performance of commodity equities and futures. Examples of the underlying commodities include, without limitation, oil, natural gas, coal, gold, silver, platinum, palladium, copper, aluminium, nickel, zinc, iron, steel, lead, tin, wheat, soya bean, cocoa, corn, coffee, sugar, cotton, hogs and cattle.

The prices of commodity equities and futures are influenced by various macroeconomic factors such as changing supply and demand relationships, climatic and geopolitical conditions, disease and other natural phenomena, agricultural, trade, fiscal, monetary and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

The volatility of FPF will depend to a certain extent on the correlation between different commodities or classes of commodities to which FPF is exposed and that such correlation may vary from time to time. Should two or more commodities or classes of commodities to which FPF is exposed become highly correlated, their performance will have a greater impact on the performance of FPF and FPF may be subject to greater or more rapid fluctuations in value than would be the case if they were not highly correlated.

Where FPF has exposure to more than one commodity or commodity index at any time, some of the commodities and/or commodity indices may be highly correlated and therefore treated as giving exposure to the same commodity. As and when required, we apply an internal statistical model to monitor correlations between the commodities and/or commodity indices to which FPF is exposed to, using historical correlation data based on the returns of each commodity or commodity index. Currently, the model computes the correlation and significance levels between the commodities and/or commodity indices by examining 5 years of historical returns data. Such period or periods may be adjusted at our discretion in the event that any historical data is not available. If the correlation is higher than 0.7, we will regard such commodities and/or commodity indices as being “highly correlated” with each other and FPF's exposure to such commodities and/or commodity indices will be aggregated for the purpose of compliance with the Code. The correlations between the commodities and/or commodity indices over the most recent 1 year (“**short-term correlation**”) are also compared against the corresponding correlations over a prior 4 year period to identify any drift in correlation.

(10) Risk of Investing in REITs

REITs depend on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs depend generally on their ability to generate cash flows to make distributions to unitholders and may be subject to defaults by borrowers and tenants of properties.

REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.

Investments in REITs that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose FPF to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.

(11) Risk Associated with Income for Distribution

Please note that income of FPF (if any) may be distributed to Holders in our absolute discretion. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(12) Risk of Investing in Unlisted Securities

Subject to the provisions of the Code, the Sub-Fund may invest in unlisted securities. In general, transactions in unlisted securities are subject to less governmental regulation and supervision compared to transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any investment in unlisted securities by the Sub-Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that the Sub-Fund will sustain losses. Unlisted securities are also relatively illiquid and it may be more difficult to obtain accurate valuations of unlisted securities.

(12) Risk of Investing in Private Equity Funds

Subject to the conditions imposed by the Authority, FPF may invest in private equity funds, capped at 10% of its Net Asset Value in aggregate with the alternative exposures allowed under paragraph 2.13 of the Core Investment Guidelines.

Investments in private equity funds are usually subject to a long investment horizon. Private equity funds commonly experience negative returns for the first few years due to capital drawdowns and an investment portfolio that has yet to mature. If well-managed, the private equity fund will recover from the initial losses and achieve returns and profits above the initial level. By investing in private equity funds, the Sub-Fund may be subject to capital commitments which are contractually binding and defaulting on such capital calls may result in adverse economic consequences. The value of such investments may be affected by various factors, including the ability of the fund manager, market risks, interest rate risks, and foreign exchange movements. Investments in private equity funds are relatively illiquid and there may not be a secondary market for such investments. The valuation of private equity funds may be infrequent, and there may also be valuation model risk as underlying investments may not have publicly available pricing.

N. Additional Risks Arising from FPF's Investments in the Underlying Funds and/or Other Collective Investments Schemes or Investment Funds (including ETFs)

(1) Underlying Fund Risk

As FPF may invest substantially in one or more of the Underlying Funds and may invest in other collective investments schemes or investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying funds may jeopardise FPF's investment in such underlying fund(s).

(2) Concentration Risk

FPF's investment approach does not mandate diversification. Also, FPF will have a high percentage of its assets invested in one or more of the Underlying Funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FPF may be subject to more rapid change in value than would be the case if FPF were required to maintain a diversified portfolio of investments.

(3) Multiple Levels of Expenses

The underlying funds have fees and expenses that are borne by FPF. As a result, you will be subject to fees and expenses at FPF's level and at the underlying funds' level. As a consequence, the direct and indirect costs borne by FPF are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes which invest directly in equity and bond markets.

The managers of the underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying funds, but they are not similarly penalised for realised or unrealised losses.

(4) Risks of Investing in ETFs

Although FPF may invest in ETFs which track the performance of designated indices, the trading price of the ETFs may differ from the ETFs' net asset value. While the value of the ETFs will generally fluctuate with changes in the market value of the index shares[38], it will also fluctuate in accordance with changes in the supply and demand for the units in the ETFs on the regulated markets. It is impossible to predict whether units in an underlying ETF of FPF will trade at, above or below their value at any given time.

Underlying ETFs investing in swap(s) and/or FDIs will be exposed to counterparty risk, which is the risk that the party trading with the relevant underlying ETF will be unable to meet its obligation to make payments or to settle a trade by the counterparty. Moreover, should a counterparty become bankrupt or insolvent, such underlying ETFs may incur significant losses, including declines in the value of its investment during the period in which the relevant underlying ETF seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The above transactions may also be terminated due to certain events, such as bankruptcy, supervening illegality or change in the tax or accounting laws relative to those in force at the time the transactions were entered into.

[38] "**Index shares**" means the shares listed on the regulated market being the shares of the companies which are constituent components of the respective index.

(5) Regulatory Risk

The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, a Fullerton Lux Sub-Fund may be registered in non-EU jurisdictions, which means that the relevant Fullerton Lux Sub-Fund may be subject to more restrictive regulatory regimes. In such cases, the relevant Fullerton Lux Sub-Fund will abide by these more restrictive requirements. This may prevent the relevant Fullerton Lux Sub-Fund from making the fullest possible use of their investment limits.

(6) Risks Relating to LABF's Investments in Asset Backed Securities and Mortgage Backed Securities

Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.

(7) Risks Relating to Investments in China by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in China. A Fullerton Lux Sub-Fund that invests in China may be subject to the risks as set out in Paragraph 10.3.

(8) Investment in P-Notes by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in P-Notes.

An investment in P-Notes entitles the holder to certain cash payments calculated by reference to the underlying equity securities to which the instrument is linked. It is not an investment directly in the equity securities themselves. The holder is not entitled to the beneficial interest in the equity securities or to make any claim against the company issuing the equity securities.

P-Notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the investment strategy for the relevant Fullerton Lux Sub-Fund due to restrictions on the issuer acquiring or disposing of the equity securities underlying the P-Notes. Investment in P-Notes can be illiquid as there is no active market in P-Notes. In order to meet realisation requests, the Fullerton Lux Sub-Fund relies on the counterparty issuing the P-Notes to quote a price to unwind any part of the P-Notes. This price will reflect market liquidity conditions and the size of the transaction.

By seeking exposure to investments in certain listed equity securities through P-Notes, the Fullerton Lux Sub-Fund is taking on the credit risk of the issuer of the P-Notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fullerton Lux Sub-Fund to suffer a loss. The Fullerton Lux Sub-Fund is exposed to the risk of default by issuers of P-Notes and it stands as unsecured creditor in the event of such default. While the investment manager of the Fullerton Lux Sub-Fund will endeavour to manage counterparty risks by investing in P-Notes issued by at least two to three counterparties, the Fullerton Lux Sub-Fund's exposure to such counterparties may not be equally diversified as not all issuers may be able to provide access to specific equity securities if they are subject to any investment and market restrictions.

Due to the comparatively higher costs of investing in a P-Note, investment through P-Notes may cause a dilution of performance of the Fullerton Lux Sub-Fund when compared to a fund investing directly in similar assets. In addition, when the Fullerton Lux Sub-Fund intends to invest in a particular equity security through a P-Note, application moneys for units in the Fullerton Lux Sub-Fund may not be immediately invested in such equity security through P-Notes as this depends on the availability of P-Notes linked to such equity security. This may impact the performance of the Fullerton Lux Sub-Fund.

(9) Currency Risks Relating to Investments by the Fullerton Lux Sub-Funds which are Denominated in RMB and in Other Asian Currencies

The RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing QFIIs) imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fullerton Lux Sub-Funds or their investors may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements.

Relevant policies may affect the ability of the Fullerton Lux Sub-Funds to convert between RMB and other currencies, applicable exchange rate and cost of conversion. Conversion may become more difficult or impossible and the RMB may be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market and reducing the liquidity of the Fullerton Lux Sub-Funds.

The appreciation of the RMB may be accelerated, which may result in it becoming more costly to the Fullerton Lux Sub-Funds to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, the RMB may depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.

The risks relating to investments denominated in RMB as described in the preceding paragraphs may also apply to investments which are denominated in other Asian currencies.

(10) Risks associated with the Stock Connects

The Fullerton Lux Sub-Funds that invest in China "A" Shares listed on PRC Stock Exchanges through the Stock Connects may be subject to the risks as set out in Paragraph 10.1.14.

The above is not an exhaustive list of the risks to consider before investing. FPF may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FPF has potential for high volatility due to its investment policies or portfolio management techniques.

O. Performance and Benchmark (as of 30 September 2019)

	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
FPF (Class A) (S$) Inception: 1 Mar 2018					
Single NAV (adjusted)	-1.57	-	-	-	-3.24
Single NAV (unadjusted)	1.39	-	-	-	-1.42
FPF (Class C) (S$) Inception: 14 Mar 2018					
Single NAV (adjusted)	-2.85	-	-	-	-4.66
Single NAV (unadjusted)	0.07	-	-	-	-2.82

Source: Fullerton Fund Management Company Ltd.

As FPF is managed on a total return basis, there is no benchmark against which the performance of FPF may be accurately measured.

P. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

The expense ratio of each Class of Units in FPF (except for Classes B, D, E, F and R Units) is

Class	Expense Ratio
Class A	**0.71**%
Class C	**2.01**%

The turnover ratio of FPF is **172.42%**.

The turnover ratios for the Underlying Funds are as follows:

Underlying Fund	Turnover Ratio
LAGIE	**42.35**%
LHCAE	**119.60**%
LAAA	**182.80**%
LABF	**33.45**%
FSCF	**2,838.25**%

The turnover ratios of the Underlying Funds are calculated based on the lesser of purchases or sales of underlying investments of the relevant Underlying Fund expressed as a percentage of its average daily net asset value.

Q. Product Suitability

Investing in FPF is only suitable for investors who:

(a) seek long-term capital appreciation and regular income; and

(b) are comfortable with the greater volatility and risks of a fund exposed to fixed income or debt securities denominated in US$ and Asian currencies (which may include non-investment grade securities) and to Asian equities primarily via collective investment schemes and other investment funds (including ETFs), REITs and other alternative asset classes (including private equities and commodities), and emerging markets.

Annex 11 – Fullerton SGD Heritage Growth

A. Investment Objective of FSHG

The investment objective of FSHG is to generate regular income and long term capital appreciation for investors.

B. Investment Focus and Approach of FSHG

FSHG will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts ("**REITs**"), money market instruments and cash as deemed appropriate by us in accordance with its investment objective.

Singapore and SGD Denominated Securities

In normal market conditions, we aim to invest around 50% of FSHG's Net Asset Value ("**NAV**") in Singapore securities (defined by country of risk) and/or Singapore Dollar ("**SGD**") denominated securities, cash and cash equivalents. We may, if we deem it reasonable, invest less than 50% of the FSHG's NAV in Singapore securities and/or SGD denominated securities and cash.

Fixed Income

The fixed income securities invested by FSHG may be investment grade, non-investment grade and/or unrated securities primarily issued by companies, governments, quasi-governments, government agencies or supra-nationals, with no specific geographical or sectoral emphasis.

Fixed income securities invested by FSHG may be denominated in SGD and/or foreign currencies. Foreign currency denominated fixed income securities will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge).

Non-rated debt securities will be subject to our internal rating process and will be accorded our internal equivalent rating of investment grade or non-investment grade accordingly.

Equities

Equities may include, but are not limited to, REITs, companies listed on recognised stock exchanges in Asia and/or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed.

FSHG may also invest in developed market equities (ex-Asia) for diversification reason.

Investment in Underlying Funds

FSHG may invest 30% or more of its NAV into any of the underlying funds set out below (each an "**Underlying Fund**" and collectively, the "**Underlying Funds**") or any other investment schemes as notified by us from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at our sole discretion.

S/N	Underlying Funds
1	Fullerton Lux Funds - Asia Growth & Income Equities ("**LAGIE**")
2	Fullerton Lux Funds - Asia Focus Equities ("**LHCAE**")
3	Fullerton Lux Funds - Asia Absolute Alpha ("**LAAA**")
4	Fullerton Lux Funds - Asian High Yield Bonds ("**LAHYB**")
5	Fullerton Lux Funds - Asian Bonds ("**LABF**")
6	Fullerton Lux Funds - Asian Short Duration Bonds ("**LASDB**")
7	Fullerton Short Term Interest Rate Fund ("**FSTIR**")
8	Fullerton SGD Cash Fund ("**FSCF**")
9	Fullerton SGD Income Fund ("**FSIF**")
10	Fullerton USD Income Fund ("**FUSIF**")

Please note that FSHG may also invest into other collective investment schemes and investment funds not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fund and their details are set in Annex 1 – Fullerton Short Term Interest Rate Fund, Annex 2 – Fullerton SGD Cash Fund, Annex 5 – Fullerton SGD Income Fund and Annex 9 – Fullerton USD Income Fund.

LAGIE, LHCAE, LAAA, LAHYB, LABF and LASDB are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the "**Fullerton Lux Sub-Fund**" and collectively, the "**Fullerton Lux Sub-Funds**".

The investment objectives, policies and approach of the Fullerton Lux Sub-Funds are as follows:

Fullerton Lux Sub-Funds	**Investment objective and policies**
LAGIE	The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LAGIE, we seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents. LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value. The Asian countries in which LAGIE may invest excludes Japan.
LHCAE	The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LHCAE, we seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value. The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.
LAAA	The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income.

	As the investment manager of LAAA, we seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. We may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value. LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital. The Asia Pacific countries in which LAAA may invest excludes Japan.
LAHYB	The investment objective of LAHYB is to generate long term capital appreciation for investors. As the investment manager of LAHYB, we seek to achieve the objective of LAHYB by investing primarily in unrated or rated non-investment grade fixed income or debt securities, including convertibles, denominated primarily in USD and Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam.
LABF	The investment objective of LABF is to generate long-term capital appreciation for investors. As the investment manager of LABF, we seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.
LASDB	The investment objective of LASDB is to generate long term capital appreciation and/or income returns for investors. As the investment manager of LASDB, we seek to achieve the objective of LASDB by investing in short duration fixed income or debt securities issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

As the investment manager of the Fullerton Lux Sub-Funds, we seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on our expertise in bottom-up stock selection, which we believe provides the greatest opportunities for alpha generation. We adopt a bottom-up approach to portfolio construction. Our investment process centres on bottom-up fundamental research and we seek to populate our portfolio with the best bottom-up ideas we are able to identify.

We seek to achieve the investment objective of LAHYB, LABF and LASDB by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. We believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

C. Neutral asset allocation

FSHG will be referenced against the neutral asset allocation mix below:

- Equities: 80%
- Fixed income and/or cash: 20%

We have the discretion to perform tactical asset allocation and vary the percentage of the NAV of FSHG that is exposed to the various underlying investments, including the percentage asset allocation stated above.

D. Managers of the Underlying Funds

We are the managers of FSTIR, FSCF, FSIF and FUSIF.

Lemanik Asset Management S.A. (the "**Management Company**") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed collective investment schemes or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to us and have appointed us as the investment manager of the Fullerton Lux Sub-Funds. Our details are set out in Paragraph 2.

E. Use of Financial Derivative Instruments

FSHG may employ FDIs for hedging and efficient portfolio management purposes.

FSTIR may invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio. We presently do not intend to use FDIs for FSCF. For FSIF and FUSIF, we may use FDIs for hedging and efficient portfolio management purposes.

The Fullerton Lux Sub-Funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LAGIE, LHCAE and LAAA to create market exposures, and by LAHYB, LABF and LASDB to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux Sub-Funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux Sub-Funds and may increase the counterparty risk of the Fullerton Lux Sub-Funds.

F. Base Currency

The base currency of FSHG is the Singapore Dollar.

G. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

Class	Distribution Rate	Frequency
Class A	No distribution	N.A.
Class B	Up to 2% p.a.	Monthly
Class B2 (US$-Hedged)	Up to 2% p.a.	Monthly

Class A: Accumulating Class. No distribution.

Classes B and B2 (US$-Hedged): Distributing Class. Our current intention is to declare distribution out of the income and/or capital of FSHG.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Please note the risks of distributions described in Paragraph 10.1.13.

H. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A *#	S$	Available for subscription generally.	None	None
Class B *	S$	Available for subscription generally.	None	None
Class B2 (US$-Hedged) +	US$	Available for subscription generally.	US$1 million ^	US$1 million ^

* Denotes availability for SRS subscription.

# Denotes accumulating class. The other class is distributing class.

^ This may be waived or varied in our absolute discretion.

+ Please note that the class currency of Class B2 (US$-Hedged) will be hedged against the base currency of FSHG (S$). Please see the “Currency Risk” section below for details.

There is no minimum amount for partial realisations for each Class of FSHG.

I. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B2 (US$-Hedged) Units: US$1.00000
Initial Offer Period	The initial offer period for Class B2 (US$-Hedged) Units will be for such period and at such time, as we may determine in our absolute discretion.

The launch of Class B2 (US$-Hedged) is conditional upon a minimum amount of US$1 million raised. This condition may be waived at our absolute discretion.

If we do not proceed with the launch of Class B2 (US$-Hedged), the class will be deemed not to have commenced and we will notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after our decision not to proceed with the launch.

J. Regular Savings Plan

The agents or distributors may, at their discretion, offer a RSP for the above Classes. Please see Paragraph 11.8 for further details.

K. Fees and Charges

K.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.98% p.a., Maximum 1.5% p.a. Class B Units: Currently 0.98% p.a., Maximum 1.5% p.a. Class B2 (US$-Hedged) Units: Currently 0.50% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the “Current” amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the “Maximum” amount as stated above.

[(b)] The registrar fee and valuation fee are subject to agreement with the relevant parties.

[(c)] The audit fee is subject to agreement with the Auditors for the relevant financial year.

[(d)] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund.

[(e)] “Other fees and charges” include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.

K.2 Fees and charges of the Underlying Funds

The fees and charges of FSTIR, FSCF and FSIF are set out in Paragraph F of Annex 1, Annex 2 and Annex 5 respectively. The fees and charges of FUSIF are set out in Paragraph H of Annex 9. The Preliminary Charges, Realisation Charges and Switching Fees of FSTIR, FSCF, FSIF and FUSIF are currently waived for FSHG. The Management Fees of FSTIR, FSCF, FSIF and FUSIF will be fully rebated to FSHG.

The fees and charges of the Fullerton Lux Sub-Funds are set out below:

Fees and Charges Payable by the Sub-Fund						
	LAGIE	**LHCAE**	**LAAA**	**LAHYB**	**LABF**	**LASDB**
Initial charge	Currently waived, Up to 5%					
Redemption charge	Currently waived, Up to 2%					
Fees Payable out of the Fullerton Lux Sub-Fund						
	LAGIE	**LHCAE**	**LAAA***	**LAHYB**	**LABF**	**LASDB**
Management company fee	Up to 0.04% p.a. of the net asset value of the relevant Fullerton Lux Sub-Fund					
Management fee (fully rebated to FSHG)	Up to 1.5% p.a.	Up to 1.75% p.a.	Up to 1.5% p.a.	Up to 1.25% p.a.	Up to 1.0% p.a.	Up to 0.7% p.a.
Depositary fee	Up to 0.5% p.a. of the average net asset values of the different sub-funds of Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)					
Fees for administrative, registrar and transfer and domiciliary services	Up to 0.05% p.a. of the net asset value of the Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)					

* LAAA may impose a performance fee, which will be fully rebated to FSHG.

Other expenses may be charged to the Fullerton Lux Sub-Funds, including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Fullerton Lux Sub-Funds may be marketed in different countries; expenses incurred in the issue, switch and realisation of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

L. Specific Risks of Investments in FSHG

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

Where the underlying investments of FSHG are not denominated in Singapore Dollars (including the Fullerton Lux Sub-Funds, which are denominated in US Dollars), an appreciation of the Singapore Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into Singapore Dollars. Conversely, a depreciation of the Singapore Dollar against other currencies adds to the returns from investments in those countries when converted back into Singapore Dollars.

We may manage the currency risk of FSHG by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSHG may not be fully hedged. The currency hedging transactions (if any) may reduce FSHG's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

For Class B2 (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSHG (S$) but this may not be fully hedged. The hedging of Class B2 (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FSHG's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FSHG. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when such security is held or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the relevant investment manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the relevant investment manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the relevant investment manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

(5) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

(6) Liquidity Risk

FSHG is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FSHG, and can also have an impact on the value of Units of FSHG. Although FSHG will invest in, amongst others, collective investment schemes and other investment funds (including ETFs) in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds are not readily redeemable. Absence of liquidity may have a detrimental impact on FSHG and the value of its investments.

(7) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FSHG and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FSHG. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(8) Emerging Markets Risk

In emerging and less developed markets, to which FSHG may be exposed, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, you should ensure that you understand the risks involved and are satisfied that an investment is suitable as part of your portfolio before investing. You should invest in emerging and less developed markets only if you have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

(9) Risk of Investing in REITs

REITs depend on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs depend generally on their ability to generate cash flows to make distributions to unitholders and may be subject to defaults by borrowers and tenants of properties.

REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.

Investments in REITs that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose FSHG to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.

(10) Risk Associated with Income for Distribution

Please note that income of FSHG (if any) may be distributed to Holders in our absolute discretion. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(11) Risk of Investing in Unlisted Securities

Subject to the provisions of the Code, FSHG may invest in unlisted securities. In general, transactions in unlisted securities are subject to less governmental regulation and supervision compared to transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any investment in unlisted securities by FSHG will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that FSHG will sustain losses. Unlisted securities are also relatively illiquid and it may be more difficult to obtain accurate valuations of unlisted securities.

M. Additional Risks Arising from FSHG's Investments in the Underlying Funds and/or Other Collective Investments Schemes or Investment Funds

(1) Underlying Fund Risk

As FSHG may invest substantially in one or more of the Underlying Funds and may invest in other collective investments schemes or investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying funds may jeopardise FSHG's investment in such underlying fund(s).

(2) Concentration Risk

FSHG's investment approach does not mandate diversification. Also, it may have a high percentage of its assets invested in one or more of the underlying funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FSHG may be subject to more rapid change in value than would be the case if it were required to maintain a diversified portfolio of investments.

(3) Multiple Levels of Expenses

The underlying funds have fees and expenses that are borne by FSHG. As a result, you will be subject to fees and expenses at FSHG's level and at the underlying funds' level. As a consequence, the direct and indirect costs borne by FSHG are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes which invest directly in equity and bond markets.

The managers of the underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying funds, but they are not similarly penalised for realised or unrealised losses.

(4) Regulatory Risk

The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, a Fullerton Lux Sub-Fund may be registered in non-EU jurisdictions, which means that the relevant Fullerton Lux Sub-Fund may be subject to more restrictive regulatory regimes. In such cases, the relevant Fullerton Lux Sub-Fund will abide by these more restrictive requirements. This may prevent the relevant Fullerton Lux Sub-Fund from making the fullest possible use of their investment limits.

(5) Risks Relating to Investments in Asset Backed Securities and Mortgage Backed Securities by LAHYB, LABF and LASDB

Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.

(6) Risks Relating to Investments in China by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in China. A Fullerton Lux Sub-Fund that invests in China may be subject to the risks as set out in Paragraph 10.3.

(7) Investment in P-Notes by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in P-Notes.

An investment in P-Notes entitles the holder to certain cash payments calculated by reference to the underlying equity securities to which the instrument is linked. It is not an investment directly in the equity securities themselves. The holder is not entitled to the beneficial interest in the equity securities or to make any claim against the company issuing the equity securities.

P-Notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the investment strategy for the relevant Fullerton Lux Sub-Fund due to restrictions on the issuer acquiring or disposing of the equity securities underlying the P-Notes. Investment in P-Notes can be illiquid as there is no active market in P-Notes. In order to meet realisation requests, the Fullerton Lux Sub-Fund relies on the counterparty issuing the P-Notes to quote a price to unwind any part of the P-Notes. This price will reflect market liquidity conditions and the size of the transaction.

By seeking exposure to investments in certain listed equity securities through P-Notes, the Fullerton Lux Sub-Fund is taking on the credit risk of the issuer of the P-Notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fullerton Lux Sub-Fund to suffer a loss. The Fullerton Lux Sub-Fund is exposed to the risk of default by issuers of P-Notes and it stands as unsecured creditor in the event of such default. While the investment manager of the Fullerton Lux Sub-Fund will endeavour to manage counterparty risks by investing in P-Notes issued by at least two to three counterparties, the Fullerton Lux Sub-Fund's exposure to such counterparties may not be equally diversified as not all issuers may be able to provide access to specific equity securities if they are subject to any investment and market restrictions.

Due to the comparatively higher costs of investing in a P-Note, investment through P-Notes may cause a dilution of performance of the Fullerton Lux Sub-Fund when compared to a fund investing directly in similar assets. In addition, when the Fullerton Lux Sub-Fund intends to invest in a particular equity security through a P-Note, application moneys for units in the Fullerton Lux Sub-Fund may not be immediately invested in such equity security through P-Notes as this depends on the availability of P-Notes linked to such equity security. This may impact the performance of the Fullerton Lux Sub-Fund.

(8) Currency Risks Relating to Investments by the Fullerton Lux Sub-Funds which are Denominated in RMB and in Other Asian Currencies

The RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing QFIIs) imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fullerton Lux Sub-Funds or their investors may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements.

Relevant policies may affect the ability of the Fullerton Lux Sub-Funds to convert between RMB and other currencies, applicable exchange rate and cost of conversion. Conversion may become more difficult or impossible and the RMB may be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market and reducing the liquidity of the Fullerton Lux Sub-Funds.

The appreciation of the RMB may be accelerated, which may result in it becoming more costly to the Fullerton Lux Sub-Funds to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, the RMB may depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.

The risks relating to investments denominated in RMB as described in the preceding paragraphs may also apply to investments which are denominated in other Asian currencies.

(9) Risks associated with the Stock Connects

The Fullerton Lux Sub-Funds that invest in China “A” Shares listed on PRC Stock Exchanges through the Stock Connects may be subject to the risks as set out in Paragraph 10.1.14.

The above is not an exhaustive list of the risks to consider before investing. FSHG may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FSHG has potential for high volatility due to its investment policies or portfolio management techniques.

N. Performance (as of 30 September 2019)

As FSHG is a newly established fund, a track record of at least one year is not available.

N.1 The performance of the Underlying Funds as of 30 September 2019:

FSTIR	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$) Inception : 9 Sep 2004					
Single NAV (adjusted) (2)	1.51	1.70	2.32	3.39	3.31
Single NAV (unadjusted) (3)	4.55	2.71	2.93	3.70	3.51
Benchmark	1.75	1.27	1.06	0.69	1.07
The benchmark is the 3-month Singapore Interbank Bid Rate (SIBID). For greater transparency and consistency with industry practice, we have revised the benchmark computation methodology. The arithmetic methodology is used for the computation of cumulative returns for the period from 9 September 2004 to 30 September 2009, and the geometric methodology is used for the period from 1 October 2009.					

FSCF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
(Class B) (S$) Inception: 14 Jul 2009*					
Single NAV	1.82	-	-	-	1.78
Benchmark	0.16	-	-	-	0.16

The benchmark is the Singapore Dollar Banks Saving Deposits Rate, which can be accessed from the Authority's website at: https://secure.mas.gov.sg/msb/InterestRatesOfBanksAndFinanceCompanies.aspx * The inception date for Class B is the date on which the first Net Asset Value is available for this Class. This Class did not have any Net Asset Value computation between 22 January 2018 and 9 August 2018 ("dormant period") as it had no investors during that period. This Class was re-incepted on 10 August 2018 upon receipt of fresh investments. The stated performance figures are computed from the re-inception of the Class on 10 August 2018 after the dormant period. The performance figures prior to the dormant period or starting from the first inception of the Class are not shown, as it would not be a true indication or proxy of the actual performance of the Class from the first inception of the Class.

FSIF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$) Inception : 5 Jan 2012					
Single NAV (adjusted) (2)	5.22	2.70	3.67	-	4.74
Single NAV (unadjusted) (3)	8.38	3.71	4.28	-	5.14
Due to the investment strategy of FSIF, there is no benchmark against which the performance of FSIF may be accurately measured.					

FUSIF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$-Hedged) Inception : 15 Apr 2016					
Single NAV (adjusted) (2)	5.38	2.14	-	-	3.03
Single NAV (unadjusted) (3)	8.55	3.15	-	-	3.92
As FUSIF is managed on a total return basis, there is no benchmark against which the performance of FUSIF may be accurately measured.					

Fullerton Lux Funds – Asia Growth & Income Equities	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (SGD) Acc Inception : 19 Feb 2013					
Single NAV (adjusted) (2)	-5.17	2.45	4.21	-	4.28
Single NAV (unadjusted) (3)	-0.42	4.12	5.23	-	5.05
Benchmark	-2.39	6.78	5.93	-	5.88
LAGIE was established on 1 February 2010 but had substantially changed its investment objective and policy on 14 January 2011. As such, LAGIE's performance prior to 14 January 2011 would not be a proxy for its performance post 14 January 2011. The benchmark post 14 January 2011 is the MSCI AC Asia ex Japan Net Index.					

Fullerton Lux Funds – Asia Focus Equities	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (SGD) Acc Inception : 14 Jun 2010					
Single NAV (adjusted) (2)	-10.47	1.72	3.59	-	3.68

Fullerton Lux Funds – Asia Focus Equities	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Single NAV (unadjusted) (3)	-6.00	3.39	4.60	-	4.23
Benchmark	-2.39	6.78	5.93	-	5.58
The benchmark is the MSCI AC Asia ex Japan Net Index.					

Fullerton Lux Funds – Asia Absolute Alpha	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD) Acc Inception : 25 Jun 2015					
Single NAV (adjusted) (2)	-4.23	0.47	-	-	3.53
Single NAV (unadjusted) (3)	0.56	2.12	-	-	4.72
Currently, there is no benchmark which would reflect the investment objective and policy of LAAA.					

Fullerton Lux Funds – Asian High Yield Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 16 Jun 2014					
Single NAV (adjusted) (2)	2.27	1.55	3.85	-	3.79
Single NAV (unadjusted) (3)	7.38	3.22	4.87	-	4.75
Currently, there is no benchmark which would reflect the investment objective and policy of LAHYB.					

Fullerton Lux Funds – Asian Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 16 Oct 2012					
Single NAV (adjusted) (2)	4.22	1.51	3.33	-	3.30
Single NAV (unadjusted) (3)	9.43	3.17	4.34	-	4.03
Benchmark	10.71	3.23	4.77	-	4.06
The benchmark is the JACI Investment Grade SGD Hedged Total Index.					

Fullerton Lux Funds – Asian Short Duration Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 18 Oct 2013					
Single NAV (adjusted) (2)	1.26	0.84	2.21	-	2.59
Single NAV (unadjusted) (3)	6.32	2.49	3.21	-	3.44
Currently, there is no benchmark which would reflect the investment objective and policy of LASDB.					

N.2 Notes

(1) Source: Fullerton Fund Management Company Ltd.

(2) The "**Single NAV (adjusted)**" performance figures are calculated in the class currency on a bid-to-bid basis (taking into account the initial charge and the redemption charge, if any), with net dividends and distributions (if any) reinvested.

(3) The "**Single NAV (unadjusted)**" performance figures are calculated in the class currency on a bid-to-bid basis (without any adjustment), with net dividends and distributions (if any) reinvested.

(4) The performance figure for the one year performance return shows the percentage change, while the figures for performance returns in respect of more than one year show the average annual compounded return.

(5) The performance of the share classes are measured against the benchmark (if any) indicated above.

(6) To counter the impact of significant net transactions on any Dealing Day, we may apply Dilution Adjustment in the calculations of the Net Asset Value of FSTIR and FSIF (with effect from 22 July 2015) and FUSIF. Performance figures (from the effective date, if applicable) are calculated after taking into account any Dilution Adjustment. Therefore, the returns may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of their underlying investments. The use of Dilution Adjustment to calculate performance returns may increase the variability of these Sub-Fund's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

(7) To counter the impact of significant dealing and other costs, Fullerton Lux Funds may apply "partial swing pricing" or make dilution adjustments in the calculations of the net asset values per share. Performance figures are calculated based on the net asset value after taking into account any "swing pricing" or dilution adjustments. This may increase the variability of a Fullerton Lux Sub-Fund's returns, as the level of subscription/redemption activity may result in the application of swing pricing which would affect its value in addition to changes in the value of its underlying investments.

Past performance of the Underlying Funds is not indicative of future performance. There are limitations to using the performance of the Underlying Funds as proxy for the performance of FSHG.

O. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

As FSHG is a newly established fund, the expense and turnover ratios are not available.

The turnover ratios for the Underlying Funds are as follows:

Underlying Fund	Turnover Ratio
FSTIR	**23.91%**
FSCF	**2,838.25%**
FSIF	**21.48%**
FUSIF	**13.50%**
LAGIE	**42.35%**
LHCAE	**119.60%**
LAAA	**182.80%**
LAHYB	**61.87%**
LABF	**33.45%**
LASDB	**29.97%**

The turnover ratios of the Underlying Funds are calculated based on the lesser of purchases or sales of underlying investments of the relevant Underlying Fund expressed as a percentage of its average daily net asset value.

P. Product Suitability

Investing in FSHG is only suitable for investors who:

(a) seek long-term capital appreciation and regular income; and

(b) are comfortable with the greater volatility and risks of a fund exposed to fixed income or debt securities denominated in SGD and Asian currencies (which may include non-investment grade securities) and to Asian equities primarily via collective investment schemes and other investment funds and emerging markets.

Annex 12 – Fullerton SGD Heritage Balanced

A. Investment Objective of FSHB

The investment objective of FSHB is to generate regular income and long term capital appreciation for investors.

B. Investment Focus and Approach of FSHB

FSHB will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts ("**REITs**"), money market instruments and cash as deemed appropriate by us in accordance with its investment objective.

Singapore and SGD Denominated Securities

In normal market conditions, we aim to invest around 50% of FSHB's Net Asset Value ("**NAV**") in Singapore securities (defined by country of risk) and/or Singapore Dollar ("**SGD**") denominated securities, cash and cash equivalents. We may, if we deem it reasonable, invest less than 50% of the FSHB's NAV in Singapore securities and/or SGD denominated securities and cash.

Fixed Income

The fixed income securities invested by FSHB may be investment grade, non-investment grade and/or unrated securities primarily issued by companies, governments, quasi-governments, government agencies or supra-nationals, with no specific geographical or sectoral emphasis.

Fixed income securities invested by FSHB may be denominated in SGD and/or foreign currencies. Foreign currency denominated fixed income securities will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge).

Non-rated debt securities will be subject to our internal rating process and will be accorded our internal equivalent rating of investment grade or non-investment grade accordingly.

Equities

Equities may include, but are not limited to, REITs, companies listed on recognised stock exchanges in Asia and/or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed.

FSHB may also invest in developed market equities (ex-Asia) for diversification reason.

Investment in Underlying Funds

FSHB may invest 30% or more of its NAV into any of the underlying funds set out below (each an "**Underlying Fund**" and collectively, the "**Underlying Funds**") or any other investment schemes as notified by us from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at our sole discretion.

S/N	Underlying Funds
1	Fullerton Lux Funds - Asia Growth & Income Equities ("**LAGIE**")
2	Fullerton Lux Funds - Asia Focus Equities ("**LHCAE**")
3	Fullerton Lux Funds - Asia Absolute Alpha ("**LAAA**")
4	Fullerton Lux Funds - Asian High Yield Bonds ("**LAHYB**")
5	Fullerton Lux Funds - Asian Bonds ("**LABF**")
6	Fullerton Lux Funds - Asian Short Duration Bonds ("**LASDB**")
7	Fullerton Short Term Interest Rate Fund ("**FSTIR**")
8	Fullerton SGD Cash Fund ("**FSCF**")
9	Fullerton SGD Income Fund ("**FSIF**")
10	Fullerton USD Income Fund ("**FUSIF**")

Please note that FSHB may also invest into other collective investment schemes and investment funds not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fund and their details are set in Annex 1 – Fullerton Short Term Interest Rate Fund, Annex 2 – Fullerton SGD Cash Fund, Annex 5 – Fullerton SGD Income Fund and Annex 9 – Fullerton USD Income Fund.

LAGIE, LHCAE, LAAA, LAHYB, LABF and LASDB are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the "**Fullerton Lux Sub-Fund**" and collectively, the "**Fullerton Lux Sub-Funds**".

The investment objectives, policies and approach of the Fullerton Lux Sub-Funds are as follows:

Fullerton Lux Sub-Funds	**Investment objective and policies**
LAGIE	The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LAGIE, we seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents. LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value. The Asian countries in which LAGIE may invest excludes Japan.
LHCAE	The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LHCAE, we seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value. The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.
LAAA	The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income.

	As the investment manager of LAAA, we seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. We may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value. LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital. The Asia Pacific countries in which LAAA may invest excludes Japan.
LAHYB	The investment objective of LAHYB is to generate long term capital appreciation for investors. As the investment manager of LAHYB, we seek to achieve the objective of LAHYB by investing primarily in unrated or rated non-investment grade fixed income or debt securities, including convertibles, denominated primarily in USD and Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam.
LABF	The investment objective of LABF is to generate long-term capital appreciation for investors. As the investment manager of LABF, we seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.
LASDB	The investment objective of LASDB is to generate long term capital appreciation and/or income returns for investors. As the investment manager of LASDB, we seek to achieve the objective of LASDB by investing in short duration fixed income or debt securities issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

As the investment manager of the Fullerton Lux Sub-Funds, we seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on our expertise in bottom-up stock selection, which we believe provides the greatest opportunities for alpha generation. We adopt a bottom-up approach to portfolio construction. Our investment process centres on bottom-up fundamental research and we seek to populate our portfolio with the best bottom-up ideas we are able to identify.

We seek to achieve the investment objective of LAHYB, LABF and LASDB by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. We believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

C. Neutral asset allocation

FSHB will be referenced against the neutral asset allocation mix below:

- Equities: 50%
- Fixed income and/or cash: 50%

We have the discretion to perform tactical asset allocation and vary the percentage of the NAV of FSHB that is exposed to the various underlying investments, including the percentage asset allocation stated above.

D. Managers of the Underlying Funds

We are the managers of FSTIR, FSCF, FSIF and FUSIF.

Lemanik Asset Management S.A. (the "**Management Company**") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed collective investment schemes or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to us and have appointed us as the investment manager of the Fullerton Lux Sub-Funds. Our details are set out in Paragraph 2.

E. Use of Financial Derivative Instruments

FSHB may employ FDIs for hedging and efficient portfolio management purposes.

FSTIR may invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio. We presently do not intend to use FDIs for FSCF. For FSIF and FUSIF, we may use FDIs for hedging and efficient portfolio management purposes.

The Fullerton Lux Sub-Funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LAGIE, LHCAE and LAAA to create market exposures, and by LAHYB, LABF and LASDB to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux Sub-Funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux Sub-Funds and may increase the counterparty risk of the Fullerton Lux Sub-Funds.

F. Base Currency

The base currency of FSHB is the Singapore Dollar.

G. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

Class	Distribution Rate	Frequency
Class A	No distribution	N.A.
Class B	Up to 4% p.a.	Monthly
Class B2 (US$-Hedged)	Up to 4% p.a.	Monthly

Class A: Accumulating Class. No distribution.

Classes B and B2 (US$-Hedged): Distributing Class. Our current intention is to declare distribution out of the income and/or capital of FSHB.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Please note the risks of distributions described in Paragraph 10.1.13.

H. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A *#	S$	Available for subscription generally.	None	None
Class B *	S$	Available for subscription generally.	None	None
Class B2 (US$-Hedged) +	US$	Available for subscription generally.	US$1 million ^	US$1 million ^

* Denotes availability for SRS subscription.

# Denotes accumulating class. The other class is distributing class.

^ This may be waived or varied in our absolute discretion.

+ Please note that the class currency of Class B2 (US$-Hedged) will be hedged against the base currency of FSHB (S$). Please see the “Currency Risk” section below for details.

There is no minimum amount for partial realisations for each Class of FSHB.

I. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B2 (US$-Hedged) Units: US$1.00000
Initial Offer Period	The initial offer period for Class B2 (US$-Hedged) Units will be for such period and at such time, as we may determine in our absolute discretion.

The launch of Class B2 (US$-Hedged) is conditional upon a minimum amount of US$1 million raised. This condition may be waived at our absolute discretion.

If we do not proceed with the launch of Class B2 (US$-Hedged), the class will be deemed not to have commenced and we will notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after our decision not to proceed with the launch.

J. Regular Savings Plan

The agents or distributors may, at their discretion, offer a RSP for the above Classes. Please see Paragraph 11.8 for further details.

K. Fees and Charges

K.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[a]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[b]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.88% p.a., Maximum 1.5% p.a. Class B Units: Currently 0.88% p.a., Maximum 1.5% p.a. Class B2 (US$-Hedged) Units: Currently 0.45% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[c] (payable to the Auditors), custody and transaction fees[d] (payable to the Trustee and the Custodian) and other fees and charges[e]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[a] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

[b] The registrar fee and valuation fee are subject to agreement with the relevant parties.

[c] The audit fee is subject to agreement with the Auditors for the relevant financial year.

[d] The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund.

[e] "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.

K.2 Fees and charges of the Underlying Funds

The fees and charges of FSTIR, FSCF and FSIF are set out in Paragraph F of Annex 1, Annex 2 and Annex 5 respectively. The fees and charges of FUSIF are set out in Paragraph H of Annex 9. The Preliminary Charges, Realisation Charges and Switching Fees of FSTIR, FSCF, FSIF and FUSIF are currently waived for FSHB. The Management Fees of FSTIR, FSCF, FSIF and FUSIF will be fully rebated to FSHB.

The fees and charges of the Fullerton Lux Sub-Funds are set out below:

Fees and Charges Payable by the Sub-Fund						
	LAGIE	**LHCAE**	**LAAA**	**LAHYB**	**LABF**	**LASDB**
Initial charge	Currently waived, Up to 5%					
Redemption charge	Currently waived, Up to 2%					
Fees Payable out of the Fullerton Lux Sub-Fund						
	LAGIE	**LHCAE**	**LAAA***	**LAHYB**	**LABF**	**LASDB**
Management company fee	Up to 0.04% p.a. of the net asset value of the relevant Fullerton Lux Sub-Fund					
Management fee (fully rebated to FSHB)	Up to 1.5% p.a.	Up to 1.75% p.a.	Up to 1.5% p.a.	Up to 1.25% p.a.	Up to 1.0% p.a.	Up to 0.7% p.a.
Depositary fee	Up to 0.5% p.a. of the average net asset values of the different sub-funds of Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)					
Fees for administrative, registrar and transfer and domiciliary services	Up to 0.05% p.a. of the net asset value of the Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)					

* LAAA may impose a performance fee, which will be fully rebated to FSHB.

Other expenses may be charged to the Fullerton Lux Sub-Funds, including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Fullerton Lux Sub-Funds may be marketed in different countries; expenses incurred in the issue, switch and realisation of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

L. Specific Risks of Investments in FSHB

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

Where the underlying investments of FSHB are not denominated in Singapore Dollars (including the Fullerton Lux Sub-Funds, which are denominated in US Dollars), an appreciation of the Singapore Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into Singapore Dollars. Conversely, a depreciation of the Singapore Dollar against other currencies adds to the returns from investments in those countries when converted back into Singapore Dollars.

We may manage the currency risk of FSHB by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSHB may not be fully hedged. The currency hedging transactions (if any) may reduce FSHB's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

For Class B2 (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSHB (S$) but this may not be fully hedged. The hedging of Class B2 (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FSHB's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FSHB. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when such security is held or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the relevant investment manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the relevant investment manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the relevant investment manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

(5) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

(6) Liquidity Risk

FSHB is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FSHB, and can also have an impact on the value of Units of FSHB. Although FSHB will invest in, amongst others, collective investment schemes and other investment funds (including ETFs) in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds are not readily redeemable. Absence of liquidity may have a detrimental impact on FSHB and the value of its investments.

(7) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FSHB and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FSHB. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(8) Emerging Markets Risk

In emerging and less developed markets, to which FSHB may be exposed, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, you should ensure that you understand the risks involved and are satisfied that an investment is suitable as part of your portfolio before investing. You should invest in emerging and less developed markets only if you have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

(9) Risk of Investing in REITs

REITs depend on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs depend generally on their ability to generate cash flows to make distributions to unitholders and may be subject to defaults by borrowers and tenants of properties.

REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.

Investments in REITs that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose FSHB to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.

(10) Risk Associated with Income for Distribution

Please note that income of FSHB (if any) may be distributed to Holders in our absolute discretion. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

(11) Risk of Investing in Unlisted Securities

Subject to the provisions of the Code, FSHB may invest in unlisted securities. In general, transactions in unlisted securities are subject to less governmental regulation and supervision compared to transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any investment in unlisted securities by FSHB will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that FSHB will sustain losses. Unlisted securities are also relatively illiquid and it may be more difficult to obtain accurate valuations of unlisted securities.

M. Additional Risks Arising from FSHB's Investments in the Underlying Funds and/or Other Collective Investments Schemes or Investment Funds

(1) Underlying Fund Risk

As FSHB may invest substantially in one or more of the Underlying Funds and may invest in other collective investments schemes or investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying funds may jeopardise FSHB's investment in such underlying fund(s).

(2) Concentration Risk

FSHB's investment approach does not mandate diversification. Also, it may have a high percentage of its assets invested in one or more of the underlying funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FSHB may be subject to more rapid change in value than would be the case if it were required to maintain a diversified portfolio of investments.

(3) Multiple Levels of Expenses

The underlying funds have fees and expenses that are borne by FSHB. As a result, you will be subject to fees and expenses at FSHB's level and at the underlying funds' level. As a consequence, the direct and indirect costs borne by FSHB are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes which invest directly in equity and bond markets.

The managers of the underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying funds, but they are not similarly penalised for realised or unrealised losses.

(4) Regulatory Risk

The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, a Fullerton Lux Sub-Fund may be registered in non-EU jurisdictions, which means that the relevant Fullerton Lux Sub-Fund may be subject to more restrictive regulatory regimes. In such cases, the relevant Fullerton Lux Sub-Fund will abide by these more restrictive requirements. This may prevent the relevant Fullerton Lux Sub-Fund from making the fullest possible use of their investment limits.

(5) Risks Relating to Investments in Asset Backed Securities and Mortgage Backed Securities by LAHYB, LABF and LASDB

Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.

(6) Risks Relating to Investments in China by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in China. A Fullerton Lux Sub-Fund that invests in China may be subject to the risks as set out in Paragraph 10.3.

(7) Investment in P-Notes by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in P-Notes.

An investment in P-Notes entitles the holder to certain cash payments calculated by reference to the underlying equity securities to which the instrument is linked. It is not an investment directly in the equity securities themselves. The holder is not entitled to the beneficial interest in the equity securities or to make any claim against the company issuing the equity securities.

P-Notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the investment strategy for the relevant Fullerton Lux Sub-Fund due to restrictions on the issuer acquiring or disposing of the equity securities underlying the P-Notes. Investment in P-Notes can be illiquid as there is no active market in P-Notes. In order to meet realisation requests, the Fullerton Lux Sub-Fund relies on the counterparty issuing the P-Notes to quote a price to unwind any part of the P-Notes. This price will reflect market liquidity conditions and the size of the transaction.

By seeking exposure to investments in certain listed equity securities through P-Notes, the Fullerton Lux Sub-Fund is taking on the credit risk of the issuer of the P-Notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fullerton Lux Sub-Fund to suffer a loss. The Fullerton Lux Sub-Fund is exposed to the risk of default by issuers of P-Notes and it stands as unsecured creditor in the event of such default. While the investment manager of the Fullerton Lux Sub-Fund will endeavour to manage counterparty risks by investing in P-Notes issued by at least two to three counterparties, the Fullerton Lux Sub-Fund's exposure to such counterparties may not be equally diversified as not all issuers may be able to provide access to specific equity securities if they are subject to any investment and market restrictions.

Due to the comparatively higher costs of investing in a P-Note, investment through P-Notes may cause a dilution of performance of the Fullerton Lux Sub-Fund when compared to a fund investing directly in similar assets. In addition, when the Fullerton Lux Sub-Fund intends to invest in a particular equity security through a P-Note, application moneys for units in the Fullerton Lux Sub-Fund may not be immediately invested in such equity security through P-Notes as this depends on the availability of P-Notes linked to such equity security. This may impact the performance of the Fullerton Lux Sub-Fund.

(8) Currency Risks Relating to Investments by the Fullerton Lux Sub-Funds which are Denominated in RMB and in Other Asian Currencies

The RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing QFIIs) imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fullerton Lux Sub-Funds or their investors may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements.

Relevant policies may affect the ability of the Fullerton Lux Sub-Funds to convert between RMB and other currencies, applicable exchange rate and cost of conversion. Conversion may become more difficult or impossible and the RMB may be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market and reducing the liquidity of the Fullerton Lux Sub-Funds.

The appreciation of the RMB may be accelerated, which may result in it becoming more costly to the Fullerton Lux Sub-Funds to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, the RMB may depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.

The risks relating to investments denominated in RMB as described in the preceding paragraphs may also apply to investments which are denominated in other Asian currencies.

(9) Risks associated with the Stock Connects

The Fullerton Lux Sub-Funds that invest in China “A” Shares listed on PRC Stock Exchanges through the Stock Connects may be subject to the risks as set out in Paragraph 10.1.14.

The above is not an exhaustive list of the risks to consider before investing. FSHB may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FSHB has potential for high volatility due to its investment policies or portfolio management techniques.

N. Performance (as of 30 September 2019)

As FSHB is a newly established fund, a track record of at least one year is not available.

N.1 The performance of the Underlying Funds as of 30 September 2019:

FSTIR	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (S$) **Inception : 9 Sep 2004**					
Single NAV (adjusted) [(2)]	1.51	1.70	2.32	3.39	3.31
Single NAV (unadjusted) [(3)]	4.55	2.71	2.93	3.70	3.51
Benchmark	1.75	1.27	1.06	0.69	1.07
The benchmark is the 3-month Singapore Interbank Bid Rate (SIBID). For greater transparency and consistency with industry practice, we have revised the benchmark computation methodology. The arithmetic methodology is used for the computation of cumulative returns for the period from 9 September 2004 to 30 September 2009, and the geometric methodology is used for the period from 1 October 2009.					

FSCF	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
(Class B) (S$) **Inception: 14 Jul 2009***					
Single NAV	1.82	-	-	-	1.78

Benchmark	0.16	-	-	-	0.16
The benchmark is the Singapore Dollar Banks Saving Deposits Rate, which can be accessed from the Authority's website at: https://secure.mas.gov.sg/msb/InterestRatesOfBanksAndFinanceCompanies.aspx * The inception date for Class B is the date on which the first Net Asset Value is available for this Class. This Class did not have any Net Asset Value computation between 22 January 2018 and 9 August 2018 ("dormant period") as it had no investors during that period. This Class was re-incepted on 10 August 2018 upon receipt of fresh investments. The stated performance figures are computed from the re-inception of the Class on 10 August 2018 after the dormant period. The performance figures prior to the dormant period or starting from the first inception of the Class are not shown, as it would not be a true indication or proxy of the actual performance of the Class from the first inception of the Class.					

FSIF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$) Inception : 5 Jan 2012					
Single NAV (adjusted) (2)	5.22	2.70	3.67	-	4.74
Single NAV (unadjusted) (3)	8.38	3.71	4.28	-	5.14
Due to the investment strategy of FSIF, there is no benchmark against which the performance of FSIF may be accurately measured.					

FUSIF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$-Hedged) Inception : 15 Apr 2016					
Single NAV (adjusted) (2)	5.38	2.14	-	-	3.03
Single NAV (unadjusted) (3)	8.55	3.15	-	-	3.92
As FUSIF is managed on a total return basis, there is no benchmark against which the performance of FUSIF may be accurately measured.					

Fullerton Lux Funds – Asia Growth & Income Equities	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (SGD) Acc Inception : 19 Feb 2013					
Single NAV (adjusted) (2)	-5.17	2.45	4.21	-	4.28
Single NAV (unadjusted) (3)	-0.42	4.12	5.23	-	5.05
Benchmark	-2.39	6.78	5.93	-	5.88
LAGIE was established on 1 February 2010 but had substantially changed its investment objective and policy on 14 January 2011. As such, LAGIE's performance prior to 14 January 2011 would not be a proxy for its performance post 14 January 2011. The benchmark post 14 January 2011 is the MSCI AC Asia ex Japan Net Index.					

Fullerton Lux Funds – Asia Focus Equities	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (SGD) Acc Inception : 14 Jun 2010					

Fullerton Lux Funds – Asia Focus Equities	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Single NAV (adjusted) (2)	-10.47	1.72	3.59	-	3.68
Single NAV (unadjusted) (3)	-6.00	3.39	4.60	-	4.23
Benchmark	-2.39	6.78	5.93	-	5.58
The benchmark is the MSCI AC Asia ex Japan Net Index.					

Fullerton Lux Funds – Asia Absolute Alpha	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD) Acc Inception : 25 Jun 2015					
Single NAV (adjusted) (2)	-4.23	0.47	-	-	3.53
Single NAV (unadjusted) (3)	0.56	2.12	-	-	4.72
Currently, there is no benchmark which would reflect the investment objective and policy of LAAA.					

Fullerton Lux Funds – Asian High Yield Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 16 Jun 2014					
Single NAV (adjusted) (2)	2.27	1.55	3.85	-	3.79
Single NAV (unadjusted) (3)	7.38	3.22	4.87	-	4.75
Currently, there is no benchmark which would reflect the investment objective and policy of LAHYB.					

Fullerton Lux Funds – Asian Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 16 Oct 2012					
Single NAV (adjusted) (2)	4.22	1.51	3.33	-	3.30
Single NAV (unadjusted) (3)	9.43	3.17	4.34	-	4.03
Benchmark	10.71	3.23	4.77	-	4.06
The benchmark is the JACI Investment Grade SGD Hedged Total Index.					

Fullerton Lux Funds – Asian Short Duration Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 18 Oct 2013					
Single NAV (adjusted) (2)	1.26	0.84	2.21	-	2.59
Single NAV (unadjusted) (3)	6.32	2.49	3.21	-	3.44
Currently, there is no benchmark which would reflect the investment objective and policy of LASDB.					

N.2 Notes

(1) Source: Fullerton Fund Management Company Ltd.

(2) The "**Single NAV (adjusted)**" performance figures are calculated in the class currency on a bid-to-bid basis (taking into account the initial charge and the redemption charge, if any), with net dividends and distributions (if any) reinvested.

(3) The "**Single NAV (unadjusted)**" performance figures are calculated in the class currency on a bid-to-bid basis (without any adjustment), with net dividends and distributions (if any) reinvested.

(4) The performance figure for the one year performance return shows the percentage change, while the figures for performance returns in respect of more than one year show the average annual compounded return.

(5) The performance of the share classes are measured against the benchmark (if any) indicated above.

(6) To counter the impact of significant net transactions on any Dealing Day, we may apply Dilution Adjustment in the calculations of the Net Asset Value of FSTIR and FSIF (with effect from 22 July 2015) and FUSIF. Performance figures (from the effective date, if applicable) are calculated after taking into account any Dilution Adjustment. Therefore, the returns may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of their underlying investments. The use of Dilution Adjustment to calculate performance returns may increase the variability of these Sub-Fund's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

(7) To counter the impact of significant dealing and other costs, Fullerton Lux Funds may apply "partial swing pricing" or make dilution adjustments in the calculations of the net asset values per share. Performance figures are calculated based on the net asset value after taking into account any "swing pricing" or dilution adjustments. This may increase the variability of a Fullerton Lux Sub-Fund's returns, as the level of subscription/redemption activity may result in the application of swing pricing which would affect its value in addition to changes in the value of its underlying investments.

Past performance of the Underlying Funds is not indicative of future performance. There are limitations to using the performance of the Underlying Funds as proxy for the performance of FSHB.

O. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

As FSHB is a newly established fund, the expense and turnover ratios are not available.

The turnover ratios for the Underlying Funds are as follows:

Underlying Fund	Turnover Ratio
FSTIR	**23.91%**
FSCF	**2,838.25%**
FSIF	**21.48%**
FUSIF	**13.50%**
LAGIE	**42.35%**
LHCAE	**119.60%**
LAAA	**182.80%**
LAHYB	**61.87%**
LABF	**33.45%**
LASDB	**29.97%**

The turnover ratios of the Underlying Funds are calculated based on the lesser of purchases or sales of underlying investments of the relevant Underlying Fund expressed as a percentage of its average daily net asset value.

P. Product Suitability

Investing in FSHB is only suitable for investors who:

(a) seek long-term capital appreciation and regular income; and

(b) are comfortable with the greater volatility and risks of a fund exposed to fixed income or debt securities denominated in SGD and Asian currencies (which may include non-investment grade securities) and to Asian equities primarily via collective investment schemes and other investment funds and emerging markets.

Annex 13 – Fullerton SGD Heritage Income

A. Investment Objective of FSHI

The investment objective of FSHI is to generate regular income and long term capital appreciation for investors.

B. Investment Focus and Approach of FSHI

FSHI will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts ("**REITs**"), money market instruments and cash as deemed appropriate by us in accordance with its investment objective.

Singapore and SGD Denominated Securities

In normal market conditions, we aim to invest around 50% of FSHI's Net Asset Value ("**NAV**") in Singapore securities (defined by country of risk) and/or Singapore Dollar ("**SGD**") denominated securities, cash and cash equivalents. We may, if we deem it reasonable, invest less than 50% of the FSHI's NAV in Singapore securities and/or SGD denominated securities and cash.

Fixed Income

The fixed income securities invested by FSHI may be investment grade, non-investment grade and/or unrated securities primarily issued by companies, governments, quasi-governments, government agencies or supra-nationals, with no specific geographical or sectoral emphasis.

Fixed income securities invested by FSHI may be denominated in SGD and/or foreign currencies. Foreign currency denominated fixed income securities will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge).

Non-rated debt securities will be subject to our internal rating process and will be accorded our internal equivalent rating of investment grade or non-investment grade accordingly.

Equities

Equities may include, but are not limited to, REITs, companies listed on recognised stock exchanges in Asia and/or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed.

FSHI may also invest in developed market equities (ex-Asia) for diversification reason.

Investment in Underlying Funds

FSHI may invest 30% or more of its NAV into any of the underlying funds set out below (each an "**Underlying Fund**" and collectively, the "**Underlying Funds**") or any other investment schemes as notified by us from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at our sole discretion.

S/N	Underlying Funds
1	Fullerton Lux Funds - Asia Growth & Income Equities ("**LAGIE**")
2	Fullerton Lux Funds - Asia Focus Equities ("**LHCAE**")
3	Fullerton Lux Funds - Asia Absolute Alpha ("**LAAA**")
4	Fullerton Lux Funds - Asian High Yield Bonds ("**LAHYB**")
5	Fullerton Lux Funds - Asian Bonds ("**LABF**")
6	Fullerton Lux Funds - Asian Short Duration Bonds ("**LASDB**")
7	Fullerton Short Term Interest Rate Fund ("**FSTIR**")
8	Fullerton SGD Cash Fund ("**FSCF**")
9	Fullerton SGD Income Fund ("**FSIF**")
10	Fullerton USD Income Fund ("**FUSIF**")

Please note that FSHI may also invest into other collective investment schemes and investment funds not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fund and their details are set in Annex 1 – Fullerton Short Term Interest Rate Fund, Annex 2 – Fullerton SGD Cash Fund, Annex 5 – Fullerton SGD Income Fund and Annex 9 – Fullerton USD Income Fund.

LAGIE, LHCAE, LAAA, LAHYB, LABF and LASDB are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the "**Fullerton Lux Sub-Fund**" and collectively, the "**Fullerton Lux Sub-Funds**".

The investment objectives, policies and approach of the Fullerton Lux Sub-Funds are as follows:

Fullerton Lux Sub-Funds	Investment objective and policies
LAGIE	The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LAGIE, we seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents. LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value. The Asian countries in which LAGIE may invest excludes Japan.
LHCAE	The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis. As the investment manager of LHCAE, we seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. We may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value. The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.
LAAA	The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income.

	As the investment manager of LAAA, we seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. We may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above). LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value. LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital. The Asia Pacific countries in which LAAA may invest excludes Japan.
LAHYB	The investment objective of LAHYB is to generate long term capital appreciation for investors. As the investment manager of LAHYB, we seek to achieve the objective of LAHYB by investing primarily in unrated or rated non-investment grade fixed income or debt securities, including convertibles, denominated primarily in USD and Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam.
LABF	The investment objective of LABF is to generate long-term capital appreciation for investors. As the investment manager of LABF, we seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.
LASDB	The investment objective of LASDB is to generate long term capital appreciation and/or income returns for investors. As the investment manager of LASDB, we seek to achieve the objective of LASDB by investing in short duration fixed income or debt securities issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

As the investment manager of the Fullerton Lux Sub-Funds, we seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on our expertise in bottom-up stock selection, which we believe provides the greatest opportunities for alpha generation. We adopt a bottom-up approach to portfolio construction. Our investment process centres on bottom-up fundamental research and we seek to populate our portfolio with the best bottom-up ideas we are able to identify.

We seek to achieve the investment objective of LAHYB, LABF and LASDB by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. We believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

C. Neutral asset allocation

FSHI will be referenced against the neutral asset allocation mix below:

- Equities: 20%
- Fixed income and/or cash: 80%

We have the discretion to perform tactical asset allocation and vary the percentage of the NAV of FSHI that is exposed to the various underlying investments, including the percentage asset allocation stated above.

D. Managers of the Underlying Funds

We are the managers of FSTIR, FSCF, FSIF and FUSIF.

Lemanik Asset Management S.A. (the "**Management Company**") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed collective investment schemes or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to us and have appointed us as the investment manager of the Fullerton Lux Sub-Funds. Our details are set out in Paragraph 2.

E. Use of Financial Derivative Instruments

FSHI may employ FDIs for hedging and efficient portfolio management purposes.

FSTIR may invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio. We presently do not intend to use FDIs for FSCF. For FSIF and FUSIF, we may use FDIs for hedging and efficient portfolio management purposes.

The Fullerton Lux Sub-Funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LAGIE, LHCAE and LAAA to create market exposures, and by LAHYB, LABF and LASDB to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux Sub-Funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux Sub-Funds and may increase the counterparty risk of the Fullerton Lux Sub-Funds.

F. Base Currency

The base currency of FSHI is the Singapore Dollar.

G. Distribution Policy

Class	Distribution Rate	Frequency
Class A	No distribution	N.A.
Class B	Fixed payout 5% p.a.	Monthly
Class B1 (US$-Hedged)	Fixed payout 5% p.a.	Monthly
Class B2 (US$-Hedged)	Fixed payout 5% p.a.	Monthly
Class C	Fixed payout 8.8% p.a.	Monthly

Class A: Accumulating Class. No distribution.

Classes B, B1 (US$-Hedged), B2 (US$-Hedged) and C: Distributing Class. We will declare a fixed rate distribution out of the income and/or capital of FSHI. Compared to Classes B, B1 (US$-Hedged) and B2 (US$-Hedged), the distribution from capital for Class C is expected to be higher so as to achieve a higher fixed payout rate.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Distributions out of capital is equivalent to a reduction or return of an investor's initial capital. Please note the risks of distributions described in Paragraph L(10) below.

Although Classes B, B1 (US$-Hedged), B2 (US$-Hedged) and C may make distribution out of income and/or capital, the potential distribution out of capital for Class C is expected to be more substantial than Classes B, B1 (US$-Hedged) and B2 (US$-Hedged) due to the higher fixed payout rate. Over time, the Net Asset Value of these Classes may drop to a certain threshold as set out in the Deed where it is no longer feasible to maintain these Classes. In such a scenario, we have the absolute discretion to terminate any of these Classes in accordance with the Deed.

Further, we may at any time, with prior notification to the Trustee, perform unit consolidation (or reverse unit split) for any of these Classes in accordance with the Deed. For example, if you hold 1,000 Class B Units at S$0.50000 per Unit, we can consolidate your holdings into 500 Class B Units at S$1.00000 per Unit. All fractions of Units resulting from such consolidation shall be truncated to 3 decimal places or such other truncation or rounding method as we may determine with prior notification to the Trustee. We shall notify each affected Holder of the unit consolidation and the registrar shall alter the Register relating to the Sub-Fund accordingly as to the new number of Units held by such Holder as a result of such unit consolidation.

H. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A *#	S$	Available for subscription generally.	None	None
Class B *	S$	Available for subscription generally.	None	None
Class B1 (US$-Hedged)+	US$	Available for subscription generally.	None	None
Class B2 (US$-Hedged)+	US$	Available for subscription generally.	US$1 million ^	US$1 million ^
Class C *	S$	Available for subscription generally.	None	None

^ This may be waived or varied in our absolute discretion.

* Denotes availability for SRS subscription.

[#] Denotes accumulating class. The other classes are distributing classes.

[+] Please note that the class currency of Classes B1 (US$-Hedged) and B2 (US$-Hedged) will be hedged against the base currency of FSHI (S$). Please see the "Currency Risk" section below for details.

There is no minimum amount for partial realisations for each Class of FSHI.

I. Regular Savings Plan

The agents or distributors may, at their discretion, offer a RSP for the above Classes. Please see Paragraph 11.8 for further details.

J. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class B2 (US$-Hedged) Units: US$1.00000
Initial Offer Period	The initial offer period for Class B2 (US$-Hedged) Units will be for such period and at such time, as we may determine in our absolute discretion.

The launch of Class B2 (US$-Hedged) is conditional upon a minimum amount of US$1 million raised. This condition may be waived at our absolute discretion.

If we do not proceed with the launch of Class B2 (US$-Hedged), the class will be deemed not to have commenced and we will notify the affected investors and return the subscription moneys received (without interest) to such investors no later than 30 Business Days after our decision not to proceed with the launch.

K. Fees and Charges

K.1 Fees and charges applicable to the Sub-Fund

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently up to 3% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S$12,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.80% p.a., Maximum 1.5% p.a. Class B Units: Currently 0.80% p.a., Maximum 1.5% p.a. Class B1 (US$-Hedged) Units: Currently 0.80% p.a., Maximum 1.5% p.a. Class B2 (US$-Hedged) Units: Currently 0.40% p.a., Maximum 1.5% p.a. Class C Units: Currently 0.80% p.a., Maximum 1.5% p.a.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or

Switching Fee may, on any day, be differentiated between applicants (up to the “Current” amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the “Maximum” amount as stated above.

(b) The registrar fee and valuation fee are subject to agreement with the relevant parties.

(c) The audit fee is subject to agreement with the Auditors for the relevant financial year.

(d) The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund.

(e) “Other fees and charges” include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.

K.2 Fees and charges of the Underlying Funds

The fees and charges of FSTIR, FSCF and FSIF are set out in Paragraph F of Annex 1, Annex 2 and Annex 5 respectively. The fees and charges of FUSIF are set out in Paragraph H of Annex 9. The Preliminary Charges, Realisation Charges and Switching Fees of FSTIR, FSCF, FSIF and FUSIF are currently waived for FSHI. The Management Fees of FSTIR, FSCF, FSIF and FUSIF will be fully rebated to FSHI.

The fees and charges of the Fullerton Lux Sub-Funds are set out below:

Fees and Charges Payable by the Sub-Fund						
	LAGIE	**LHCAE**	**LAAA**	**LAHYB**	**LABF**	**LASDB**
Initial charge	Currently waived, Up to 5%					
Redemption charge	Currently waived, Up to 2%					
Fees Payable out of the Fullerton Lux Sub-Fund						
	LAGIE	**LHCAE**	**LAAA***	**LAHYB**	**LABF**	**LASDB**
Management company fee	Up to 0.04% p.a. of the net asset value of the relevant Fullerton Lux Sub-Fund					
Management fee (fully rebated to FSHI)	Up to 1.5% p.a.	Up to 1.75% p.a.	Up to 1.5% p.a.	Up to 1.25% p.a.	Up to 1.0% p.a.	Up to 0.7% p.a.
Depositary fee	Up to 0.5% p.a. of the average net asset values of the different sub-funds of Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)					
Fees for administrative, registrar and transfer and domiciliary services	Up to 0.05% p.a. of the net asset value of the Fullerton Lux Funds (as allocated to the relevant Fullerton Lux Sub-Fund)					

* LAAA may impose a performance fee, which will be fully rebated to FSHI.

Other expenses may be charged to the Fullerton Lux Sub-Funds, including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Fullerton Lux Sub-Funds may be marketed in different countries; expenses incurred in the issue, switch and realisation of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

L. Specific Risks of Investments in FSHI

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

Where the underlying investments of FSHI are not denominated in Singapore Dollars (including the Fullerton Lux Sub-Funds, which are denominated in US Dollars), an appreciation of the Singapore Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into Singapore Dollars. Conversely, a depreciation of the Singapore Dollar against other currencies adds to the returns from investments in those countries when converted back into Singapore Dollars.

We may manage the currency risk of FSHI by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FSHI may not be fully hedged. The currency hedging transactions (if any) may reduce FSHI's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

For Classes B1 (US$-Hedged) and B2 (US$-Hedged), we intend to hedge the class currency (US$) against the base currency of FSHI (S$) but this may not be fully hedged. The hedging of Classes B1 (US$-Hedged) and B2 (US$-Hedged) may be done via FDIs such as forward currency contracts, currency futures, currency swap arrangements and currency options or any other instruments as we deem appropriate. The currency hedging transactions may reduce the currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

(2) Equities Risk

Historically, equities have greater volatility than fixed income securities. FSHI's valuation may fluctuate more strongly than funds exposed to fixed income securities only.

(3) Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.

(4) Credit Risk

Investments in debt securities or fixed income collective investment schemes are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or collective investment scheme and in the value of Units of FSHI. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when such security is held or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the relevant investment manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the relevant investment manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the relevant investment manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

(5) Investment in Non-Investment Grade Securities

Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.

Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade securities can be sold.

(6) Liquidity Risk

FSHI is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FSHI, and can also have an impact on the value of Units of FSHI. Although FSHI will invest in, amongst others, collective investment schemes and other investment funds (including ETFs) in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such underlying funds are not readily redeemable. Absence of liquidity may have a detrimental impact on FSHI and the value of its investments.

(7) Derivative Risk

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FSHI and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FSHI. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(8) Emerging Markets Risk

In emerging and less developed markets, to which FSHI may be exposed, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, you should ensure that you understand the risks involved and are satisfied that an investment is suitable as part of your portfolio before investing. You should invest in emerging and less developed markets only if you have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

(9) Risk of Investing in REITs

REITs depend on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs depend generally on their ability to generate cash flows to make distributions to unitholders and may be subject to defaults by borrowers and tenants of properties.

REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.

Investments in REITs that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose FSHI to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.

(10) Risk Associated with Income for Fixed Rate Distribution out of Income and/or Capital

Please note that distributions may be made out of income and/or capital. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.

Any distributions made (whether out of income and/or capital) may cause the Net Asset Value of FSHI to fall. Further, distributions out of the capital may amount to a partial return of your original investment and may result in reduced future returns for you.

As stated in Paragraph (G) above, Classes B, B1 (US$-Hedged), B2 (US$-Hedged) and C of FSHI may make distribution out of income and/or capital, and this presents the potential for the termination and/or the consolidation of the Units of any of these Classes.

(11) Risk of Investing in Unlisted Securities

Subject to the provisions of the Code, FSHI may invest in unlisted securities. In general, transactions in unlisted securities are subject to less governmental regulation and supervision compared to transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any investment in unlisted securities by FSHI will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that FSHI will sustain losses. Unlisted securities are also relatively illiquid and it may be more difficult to obtain accurate valuations of unlisted securities.

M. Additional Risks Arising from FSHI's Investments in the Underlying Funds and/or Other Collective Investments Schemes or Investment Funds

(1) Underlying Fund Risk

As FSHI may invest substantially in one or more of the Underlying Funds and may invest in other collective investments schemes or investment funds, it is subject to the management risk of the management companies and/or the investment managers of the relevant underlying fund(s). Poor management of the relevant underlying funds may jeopardise FSHI's investment in such underlying fund(s).

(2) Concentration Risk

FSHI's investment approach does not mandate diversification. Also, it may have a high percentage of its assets invested in one or more of the underlying funds. In addition, the managers of the underlying funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of FSHI may be subject to more rapid change in value than would be the case if it were required to maintain a diversified portfolio of investments.

(3) Multiple Levels of Expenses

The underlying funds have fees and expenses that are borne by FSHI. As a result, you will be subject to fees and expenses at FSHI's level and at the underlying funds' level. As a consequence, the direct and indirect costs borne by FSHI are likely to represent a higher percentage of the net asset value than would typically be the case with collective investment schemes which invest directly in equity and bond markets.

The managers of the underlying funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such underlying funds, but they are not similarly penalised for realised or unrealised losses.

(4) Regulatory Risk

The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, a Fullerton Lux Sub-Fund may be registered in non-EU jurisdictions, which means that the relevant Fullerton Lux Sub-Fund may be subject to more restrictive regulatory regimes. In such cases, the relevant Fullerton Lux Sub-Fund will abide by these more restrictive requirements. This may prevent the relevant Fullerton Lux Sub-Fund from making the fullest possible use of their investment limits.

(5) Risks Relating to Investments in Asset Backed Securities and Mortgage Backed Securities by LAHYB, LABF and LASDB

Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.

(6) Risks Relating to Investments in China by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in China. A Fullerton Lux Sub-Fund that invests in China may be subject to the risks as set out in Paragraph 10.3.

(7) Investment in P-Notes by the Fullerton Lux Sub-Funds

The Fullerton Lux Sub-Funds may invest in P-Notes.

An investment in P-Notes entitles the holder to certain cash payments calculated by reference to the underlying equity securities to which the instrument is linked. It is not an investment directly in the equity securities themselves. The holder is not entitled to the beneficial interest in the equity securities or to make any claim against the company issuing the equity securities.

P-Notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the investment strategy for the relevant Fullerton Lux Sub-Fund due to restrictions on the issuer acquiring or disposing of the equity securities underlying the P-Notes. Investment in P-Notes can be illiquid as there is no active market in P-Notes. In order to meet realisation requests, the Fullerton Lux Sub-Fund relies on the counterparty issuing the P-Notes to quote a price to unwind any part of the P-Notes. This price will reflect market liquidity conditions and the size of the transaction.

By seeking exposure to investments in certain listed equity securities through P-Notes, the Fullerton Lux Sub-Fund is taking on the credit risk of the issuer of the P-Notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fullerton Lux Sub-Fund to suffer a loss. The Fullerton Lux Sub-Fund is exposed to the risk of default by issuers of P-Notes and it stands as unsecured creditor in the event of such default. While the investment manager of the Fullerton Lux Sub-Fund will endeavour to manage counterparty risks by investing in P-Notes issued by at least two to three counterparties, the Fullerton Lux Sub-Fund's exposure to such counterparties may not be equally diversified as not all issuers may be able to provide access to specific equity securities if they are subject to any investment and market restrictions.

Due to the comparatively higher costs of investing in a P-Note, investment through P-Notes may cause a dilution of performance of the Fullerton Lux Sub-Fund when compared to a fund investing directly in similar assets. In addition, when the Fullerton Lux Sub-Fund intends to invest in a particular equity security through a P-Note, application moneys for units in the Fullerton Lux Sub-Fund may not be immediately invested in such equity security through P-Notes as this depends on the availability of P-Notes linked to such equity security. This may impact the performance of the Fullerton Lux Sub-Fund.

(8) Currency Risks Relating to Investments by the Fullerton Lux Sub-Funds which are Denominated in RMB and in Other Asian Currencies

The RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing QFIIs) imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fullerton Lux Sub-Funds or their investors may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements.

Relevant policies may affect the ability of the Fullerton Lux Sub-Funds to convert between RMB and other currencies, applicable exchange rate and cost of conversion. Conversion may become more difficult or impossible and the RMB may be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market and reducing the liquidity of the Fullerton Lux Sub-Funds.

The appreciation of the RMB may be accelerated, which may result in it becoming more costly to the Fullerton Lux Sub-Funds to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, the RMB may depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.

The risks relating to investments denominated in RMB as described in the preceding paragraphs may also apply to investments which are denominated in other Asian currencies.

(9) Risks associated with the Stock Connects

The Fullerton Lux Sub-Funds that invest in China “A” Shares listed on PRC Stock Exchanges through the Stock Connects may be subject to the risks as set out in Paragraph 10.1.14.

The above is not an exhaustive list of the risks to consider before investing. FSHI may be exposed to other risks of an exceptional nature. You should note that the Net Asset Value of FSHI has potential for high volatility due to its investment policies or portfolio management techniques.

N. Performance (as of 30 September 2019)

As FSHI is a newly established fund, a track record of at least one year is not available.

N.1 The performance of the Underlying Funds as of 30 September 2019:

FSTIR	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$) **Inception : 9 Sep 2004**					
Single NAV (adjusted) (2)	1.51	1.70	2.32	3.39	3.31
Single NAV (unadjusted) (3)	4.55	2.71	2.93	3.70	3.51
Benchmark	1.75	1.27	1.06	0.69	1.07
The benchmark is the 3-month Singapore Interbank Bid Rate (SIBID). For greater transparency and consistency with industry practice, we have revised the benchmark computation methodology. The arithmetic methodology is used for the computation of cumulative returns for the period from 9 September 2004 to 30 September 2009, and the geometric methodology is used for the period from 1 October 2009.					

FSCF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
(Class B) (S$) **Inception: 14 Jul 2009***					
Single NAV	1.82	-	-	-	1.78
Benchmark	0.16	-	-	-	0.16
The benchmark is the Singapore Dollar Banks Saving Deposits Rate, which can be accessed from the Authority's website at: https://secure.mas.gov.sg/msb/InterestRatesOfBanksAndFinanceCompanies.aspx * The inception date for Class B is the date on which the first Net Asset Value is available for this Class. This Class did not have any Net Asset Value computation between 22 January 2018 and 9 August 2018 ("dormant period") as it had no investors during that period. This Class was re-incepted on 10 August 2018 upon receipt of fresh investments. The stated performance figures are computed from the re-inception of the Class on 10 August 2018 after the dormant period. The performance figures prior to the dormant period or starting from the first inception of the Class are not shown, as it would not be a true indication or proxy of the actual performance of the Class from the first inception of the Class.					

FSIF	**1 Year (% p.a.)**	**3 Years (% p.a.)**	**5 Years (% p.a.)**	**10 Years (% p.a.)**	**Since Inception (% p.a.)**
Class A (S$) **Inception : 5 Jan 2012**					
Single NAV (adjusted) (2)	5.22	2.70	3.67	-	4.74
Single NAV (unadjusted) (3)	8.38	3.71	4.28	-	5.14
Due to the investment strategy of FSIF, there is no benchmark against which the performance of FSIF may be accurately measured.					

FUSIF	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (S$-Hedged) Inception : 15 Apr 2016					
Single NAV (adjusted) (2)	5.38	2.14	-	-	3.03
Single NAV (unadjusted) (3)	8.55	3.15	-	-	3.92
As FUSIF is managed on a total return basis, there is no benchmark against which the performance of FUSIF may be accurately measured.					

Fullerton Lux Funds – Asia Growth & Income Equities	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD) Acc Inception : 19 Feb 2013					
Single NAV (adjusted) (2)	-5.17	2.45	4.21	-	4.28
Single NAV (unadjusted) (3)	-0.42	4.12	5.23	-	5.05
Benchmark	-2.39	6.78	5.93	-	5.88
LAGIE was established on 1 February 2010 but had substantially changed its investment objective and policy on 14 January 2011. As such, LAGIE's performance prior to 14 January 2011 would not be a proxy for its performance post 14 January 2011. The benchmark post 14 January 2011 is the MSCI AC Asia ex Japan Net Index.					

Fullerton Lux Funds – Asia Focus Equities	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD) Acc Inception : 14 Jun 2010					
Single NAV (adjusted) (2)	-10.47	1.72	3.59	-	3.68
Single NAV (unadjusted) (3)	-6.00	3.39	4.60	-	4.23
Benchmark	-2.39	6.78	5.93	-	5.58
The benchmark is the MSCI AC Asia ex Japan Net Index.					

Fullerton Lux Funds – Asia Absolute Alpha	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD) Acc Inception : 25 Jun 2015					
Single NAV (adjusted) (2)	-4.23	0.47	-	-	3.53
Single NAV (unadjusted) (3)	0.56	2.12	-	-	4.72
Currently, there is no benchmark which would reflect the investment objective and policy of LAAA.					

Fullerton Lux Funds – Asian High Yield Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 16 Jun 2014					
Single NAV (adjusted) (2)	2.27	1.55	3.85	-	3.79
Single NAV (unadjusted) (3)	7.38	3.22	4.87	-	4.75
Currently, there is no benchmark which would reflect the investment objective and policy of LAHYB.					

Fullerton Lux Funds – Asian Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 16 Oct 2012					
Single NAV (adjusted) (2)	4.22	1.51	3.33	-	3.30
Single NAV (unadjusted) (3)	9.43	3.17	4.34	-	4.03
Benchmark	10.71	3.23	4.77	-	4.06
The benchmark is the JACI Investment Grade SGD Hedged Total Index**.**					

Fullerton Lux Funds – Asian Short Duration Bonds	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	10 Years (% p.a.)	Since Inception (% p.a.)
Class A (SGD-Hedged) Dist Inception : 18 Oct 2013					
Single NAV (adjusted) (2)	1.26	0.84	2.21	-	2.59
Single NAV (unadjusted) (3)	6.32	2.49	3.21	-	3.44
Currently, there is no benchmark which would reflect the investment objective and policy of LASDB.					

N.2 Notes

(1) Source: Fullerton Fund Management Company Ltd.

(2) The "**Single NAV (adjusted)**" performance figures are calculated in the class currency on a bid-to-bid basis (taking into account the initial charge and the redemption charge, if any), with net dividends and distributions (if any) reinvested.

(3) The "**Single NAV (unadjusted)**" performance figures are calculated in the class currency on a bid-to-bid basis (without any adjustment), with net dividends and distributions (if any) reinvested.

(4) The performance figure for the one year performance return shows the percentage change, while the figures for performance returns in respect of more than one year show the average annual compounded return.

(5) The performance of the share classes are measured against the benchmark (if any) indicated above.

(6) To counter the impact of significant net transactions on any Dealing Day, we may apply Dilution Adjustment in the calculations of the Net Asset Value of FSTIR and FSIF (with effect from 22 July 2015) and FUSIF. Performance figures (from the effective date, if applicable) are calculated after taking into account any Dilution Adjustment. Therefore, the returns may be influenced by the amount of subscription, switch and/or realisation activity which may result in the application of Dilution Adjustment in addition to the value of their underlying investments. The use of Dilution Adjustment to calculate performance returns may increase the variability of these Sub-Fund's returns. Please see Paragraph 20.8 for details on the application of Dilution Adjustment.

(7) To counter the impact of significant dealing and other costs, Fullerton Lux Funds may apply "partial swing pricing" or make dilution adjustments in the calculations of the net asset values per share. Performance figures are calculated based on the net asset value after taking into account any "swing pricing" or dilution adjustments. This may increase the variability of a Fullerton Lux Sub-Fund's returns, as the level of subscription/redemption activity may result in the application of swing pricing which would affect its value in addition to changes in the value of its underlying investments.

Past performance of the Underlying Funds is not indicative of future performance. There are limitations to using the performance of the Underlying Funds as proxy for the performance of FSHI.

O. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

As FSHI is a newly established fund, the expense and turnover ratios are not available.

The turnover ratios for the Underlying Funds are as follows:

Underlying Fund	Turnover Ratio
FSTIR	**23.91%**
FSCF	**2,838.25%**
FSIF	**21.48%**
FUSIF	**13.50%**
LAGIE	**42.35%**
LHCAE	**119.60%**
LAAA	**182.80%**
LAHYB	**61.87%**
LABF	**33.45%**
LASDB	**29.97%**

The turnover ratios of the Underlying Funds are calculated based on the lesser of purchases or sales of underlying investments of the relevant Underlying Fund expressed as a percentage of its average daily net asset value.

P. Product Suitability

Investing in FSHI is only suitable for investors who:

(a) seek long-term capital appreciation and regular income; and

(b) are comfortable with some volatility and risks of a fund exposed to fixed income or debt securities denominated in SGD and Asian currencies (which may include non-investment grade securities) and to Asian equities primarily via collective investment schemes and other investment funds, and emerging markets.

Annex 14 – Fullerton USD Cash Fund

A. Investment Objective of FUCF

The investment objective of FUCF is to provide investors with liquidity and a return that is comparable to that of US Dollar deposits.

B. Investment Focus and Approach of FUCF

FUCF intends to invest in US Dollar deposits placed with Eligible Financial Institutions[39] as defined in the Money Market Funds Investment Guidelines and other permissible investments.

FUCF may also invest in non-deposit investments[40] as defined in the Money Market Funds Investment Guidelines.

We will apply the Money Market Funds Investment Guidelines in our management of FUCF.

FUCF may use FDIs for hedging purposes, and it may enter into repurchase transactions for the purpose of efficient portfolio management.

C. Base Currency

The base currency of the FUCF is the US Dollar.

D. Distribution Policy

Distributions (if any) may be declared in our absolute discretion.

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[39] An "**eligible financial institution**" is presently defined in the Money Market Funds Investment Guidelines as:
(i) a financial institution which has a minimum short-term rating of F-2 by Fitch Inc, P-2 by Moody's or A2 by Standard and Poor's (including such sub-categories or gradations therein); or
(ii) a financial institution rated other than by the credit rating organisations specified in (i) above for which we have satisfied the Trustee that its short-term rating is comparable to the ratings in (i) above; or
(iii) a Singapore-incorporated bank licensed under the Banking Act (Chapter 19 of Singapore) which is not rated, but has been approved under the Central Provident Fund Investment Scheme to accept fixed deposits.
[40] A "**non-deposit investment**" is presently defined in the Money Markets Funds Investment Guidelines as:
(i) high quality bonds and other securitised debt instruments (including government bonds, corporate bonds, floating rate notes and asset-backed securities); and
(ii) high quality money market instruments (including bank certificates of deposit, banker's acceptances, commercial papers, trade bills and Treasury bills).
A "**high-quality**" debt security or money market instrument is presently defined in the Money Markets Funds Investment Guidelines as one:
(i) with either a minimum short-term rating of F-2 by Fitch, P-2 by Moody's or A-2 by Standard and Poor's, or where it only has a long-term rating, such a rating of A by Fitch, A by Moody's or A by Standard and Poor's (including such sub-categories or gradations therein);
(ii) issued by supranational agencies or other foreign entities and rated other than by the above credit rating organisations and for which we have satisfied the Trustee that it is of a quality comparable to those with the ratings in (i) above; or
(iii) issued by a Singapore entity, including the Singapore Government and statutory boards, and is not rated, and for which we have satisfied the Trustee that it is of a quality comparable to those with the ratings in (i) above.

E. Classes

Class	Currency	Offer / Switch limitations	Minimum Initial Subscription/ Holding	Minimum Subsequent Subscription
Class A	US$	Available for subscription generally.	None	None
Class B	US$	Currently intended to be offered and made available only to our affiliated or related companies and such other persons and entities as we may determine in our absolute discretion.	US$1 million ^	US$1 million ^

^ This may be waived or varied in our absolute discretion.

Switching into or out of FUCF is not permitted except for switching from or into FSCF (which may be permitted subject to our absolute discretion).

Subject to the relevant Minimum Holding, the minimum amount for partial realisations for each of Class A and Class B of FUCF is US$1,000 or 1,000 Units (or such number of Units or amounts as we may determine in our absolute discretion).

F. Initial Issue Price and Initial Offer Period

Initial Issue Price	Class A Units: US$ 1.00000 Class B Units: US$ 1.00000
Initial Offer Period	The initial offer period in respect of each Class will be for such period and at such time, as we may determine in our absolute discretion.

G. Fees and Charges

Fees and Charges Payable by Holder[(a)]	
Preliminary Charge	Currently 0% of the Gross Subscription Amount, Maximum 5%
Realisation Charge	Currently 0%, Maximum 2%
Switching Fee	Currently up to 2%, Maximum 2%
Fees Payable by the Sub-Fund	
Trustee Fee, Registrar Fee and Valuation Fee[(b)]	Currently, the Trustee Fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of US$15,000 p.a.. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the Net Asset Value of the Sub-Fund.
Management Fee	Class A Units: Currently 0.12% p.a., Maximum 0.35% p.a.. Class B Units: Such amount as we may determine in our absolute discretion.
Out of the Management Fee:	*Retained by us: 40% to 100%* *Paid by us to agents or distributors (trailer fee): 0% to 60%*
Audit fee[(c)] (payable to the Auditors), custody and transaction fees[(d)] (payable to the Trustee and the Custodian) and other fees and charges[(e)]	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 fee or charge bears to the Net Asset Value of the Sub-Fund.

[(a)] The Preliminary Charge, Realisation Charge and Switching Fee (if any) will be retained by us, the agents/distributors/Intermediaries, and/or such other persons as nominated by us to receive the same for their own benefit in our place. The amount of the Preliminary Charge, Realisation Charge and/or Switching Fee may, on any day, be differentiated between applicants (up to the "Current" amount stated above) for the Units of the Sub-Fund or relevant Class to be issued, realised or switched (as applicable). The current Preliminary Charge, Realisation Charge and/or Switching Fee may be increased (subject to the giving of advance notice to investors) up to the "Maximum" amount as stated above.

(b) The registrar fee and valuation fee are subject to agreement with the relevant parties.

(c) The audit fee is subject to agreement with the Auditors for the relevant financial year.

(d) The custody fee payable is subject to agreement with the Trustee and does not include any transaction fees payable to the Custodian for the investments of the Sub-Fund, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund.

(e) "Other fees and charges" include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.

H. Specific Risks of Investments in FUCF

The risks set out below are in addition to the general risk factors described in Paragraph 10.1.

(1) Currency Risk

Please note that the base currency of FUCF is the US Dollar, and that Classes A and B Units of FUCF are denominated in US Dollars.

Where the underlying investments of FUCF are not denominated in US Dollars, an appreciation of the US Dollar against the currencies of other countries adversely affects the returns from investments in those countries when converted back into US Dollars. Conversely, a depreciation of the US Dollar against other currencies adds to the returns from investments in those countries when converted back into US Dollars.

We may manage the currency risk of FUCF by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of FUCF may not be fully hedged. The currency hedging transactions (if any) may reduce FUCF's currency exposure but will not eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.

The risk of additional loss (or the prospect of additional gain) arising from exchange rate fluctuations also arises where the currency of a Class of Units varies from your home currency. We currently do not intend to hedge against the foreign currency exposure of Classes A and B Units of FUCF and you will be exposed to exchange rate risks.

(2) Interest Rate Risk

The value of Units of FUCF may fluctuate in response to changes in interest rates. Investments in US Dollar deposits or other high-quality money market instruments and debt securities may decline in value as interest rates change. In general, the prices of fixed income securities rise when interest rate falls, and fall when interest rate rises.

(3) Credit Risk

Investments in debt securities are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of Units of FUCF. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

(4) Default Risk

Investments in deposits with financial institutions are subject to adverse changes in the financial conditions of such institutions, or in general economic conditions, or both, which may impair the ability of such institutions to make payments of interest and principal. Such institutions' ability to meet their obligations may also be adversely affected by their operation, performance or winding-up, which may increase the potential for default by such institutions.

(5) Risks of Historical Pricing

Please note that Units in FUCF are issued and realised on a historical pricing basis (as provided in Paragraphs 11.4.2(ii) and 12.2.2(ii)). The issue and realisation of such Units on a Dealing Day will be based on the Net Asset Value per Unit of FUCF determined as at the close of business on the calendar day immediately preceding that Dealing Day on which Units are issued or realised, or on such day or such other time as may be determined by us with the approval of the Trustee. As such, the Issue and Realisation Prices may not be reflective of the actual Net Asset Value of the Units as at the date of issue or realisation. Any adjustments or shortfalls as a result will be borne by FUCF.

(6) Derivative Risk

The global exposure of FUCF to FDIs will not exceed 100% of its Net Asset Value, as computed in accordance with Paragraph 8.2.2.

Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.

The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.

If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of FUCF and may increase counterparty and settlement risks. Although we will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("**ISDA**"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.

Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.

Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.

Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to FUCF. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.

(7) Repurchase Transactions Risk

FUCF is exposed to various risks arising from its engagement in repurchase transactions, including liquidity, counterparty, operational, collateral sufficiency, and other risks, as described at Paragraph 8.4.

(8) Liquidity Risk

FUCF is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect your ability to realise Units of FUCF, and can also have an impact on the value of Units of FUCF. While the objective of FUCF is to provide investors with liquidity, it is subject to the realisation gate that limits the total number of Units of FUCF to be realised on each Dealing Day to 10% (as described at Paragraph 12.1).

The above is not an exhaustive list of risks to consider before investing. FUCF may be exposed to other risks of an exceptional nature.

I. Performance and Benchmark (as of 30 September 2019)

As FUCF is a newly established fund, a track record of at least one year is not available.

The benchmark is the Federal Funds Target Rate – Lower Bound. This benchmark may be replaced with another benchmark as determined at our sole discretion from time to time.

J. Expense and Turnover Ratios (Financial Year Ended 31 March 2019)

As FUCF is a newly established fund, the expense and turnover ratios are not available.

K. Product Suitability

Investing in FUCF is <u>only</u> suitable for investors who are looking for a cash fund which provides a return comparable to that of US Dollar deposits.

FULLERTON FUND

PROSPECTUS REQUIRED PURSUANT TO THE SECURITIES AND FUTURES ACT

Jenny Sofian
Director

Jenny Sofian for and on behalf of

Ho Tian Yee
Director

Nels Radley Friets
Director

Phoon Siew Heng
Director

Lester Edward Gray
Director

Kee Teck Koon
Director

Pang Wai Yin
Director

Jeanette Wong Kai Yuan
Director