

**SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS) (COLLECTIVE INVESTMENT
SCHEMES) (AMENDMENT NO. X) REGULATIONS 2013**

DISCLAIMER: This version of the Regulations is in draft form and subject to change. It is also subject to review by the Attorney-General's Chambers.

No. S 000 –

**SECURITIES AND FUTURES ACT
(CHAPTER 289)**

**SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(COLLECTIVE INVESTMENT SCHEMES) (AMENDMENT NO. X)
REGULATIONS 2013**

In exercise of the powers conferred by sections 296A, 300(3C), 305 and 341 of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Collective Investment Schemes) (Amendment No. X) Regulations 2013 and shall come into operation on [● 2013].

Amendment of Part III

2. Part III of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (G.N. No. S 602/2005) (referred to in these Regulations as the principal Regulations) is amended by inserting, immediately before regulation 11, the following regulation:

“Definitions

10A. In this Part —

“bank” means a bank in Singapore or a merchant bank;

“bank in Singapore” has the same meaning as in section 2(1) of the Banking Act (Cap. 19);

“deposit” means —

- (a) a deposit as defined in section 4B of the Banking Act (Cap. 19), in a case where the deposit is accepted by a bank; or
- (b) a deposit as defined in section 2 of the Finance Companies Act (Cap. 108), in a case where the deposit is accepted by a finance company as defined in that section of that Act;

“merchant bank” means a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186).”

New Division 1A of Part III

3. Part III of the principal Regulations is amended by inserting, immediately after Division 1, the following Division and regulations:

“Division 1A — Requirements for product highlights sheet for the purposes of section 296A of Act

Contents of product highlights sheet

19A.—(1) For the purposes of section 296A of the Act, a product highlights sheet shall be prepared in accordance with the format set out in the Eighth Schedule.

(2) A product highlights sheet shall contain —

- (a) a description of the key features and risks of the collective investment scheme;
- (b) where appropriate, diagrams and illustrations of the features and structure of the scheme; and
- (c) in the case where technical terms are used, a glossary to the product highlights sheet explaining the technical terms.

(3) A product highlights sheet shall not—

- (a) contain any statement or matter that is false or misleading in the form and context in which it is included;
- (b) contain any material information that is not contained in the prospectus;
- (c) contain any material information that differs in any material particular from that set out in the prospectus; or
- (d) omit any information from any part of the product highlights sheet which would result in that part of the product highlights sheet being false or misleading.

(4) A person shall not be taken to have contravened paragraph (3)(a) if the false or misleading information is not materially adverse from the point of view of the investor.

(5) For the purposes of paragraph 3 (a), the reference to a statement shall include a reference to any information presented, regardless of whether such information is in text or otherwise.

Product highlights sheet shall be fair and balanced

19B.—(1) A product highlights sheet shall give a fair and balanced view of the nature, material benefits and material risks of the scheme offered.

(2) For the purposes of paragraph (1), a product highlights sheet shall be considered as giving a fair and balanced view of the scheme offered if –

- (a) the product highlights sheet gives –
 - (i) a balanced description of the risks and potential returns of the scheme; and
 - (ii) a proportionate level of prominence to the warnings, disclaimers and qualifications in relation to the claims on potential returns to which they refer to; and
- (b) the product highlights sheet does not –
 - (i) give the impression that an investor can profit without risk;
 - (ii) contain words or graphics that could convey an impression that is inaccurate or inconsistent with the nature or the risks of the scheme; or
 - (iii) present information in footnotes in a way that would alter the meaning of the main text of the product highlights sheet or cause difficulty to an investor in understanding the scheme.

(3) A product highlights sheet shall not –

- (a) suggest that –

- (i) the scheme offered is, or is comparable to, a deposit; or
- (ii) there is no or little risk of the investor losing his principal amount or not achieving the stated or targeted rate of returns; or
- (b) contain information that is outdated unless it is specified in the product highlights sheet that the information presented is historical information.

Legibility of a product highlights sheet

19C. The information required to be contained in a product highlights sheet under regulation 19A, including footnotes and references —

- (a) shall be clearly legible; and
- (b) shall be in a font size of at least 10-point Times New Roman.

Page limit of a product highlights sheet

19D.—(1) A product highlights sheet shall have a maximum page limit of—

- (a) four pages, where the product highlights sheet does not include diagrams (such as graphs, charts, flowcharts, tables or numerical explanations) or a glossary; or
- (b) eight pages, where the information that is not contained in diagrams (such as graphs, charts, flowcharts, tables or numerical explanations) or a glossary, is contained in no more than four pages.

(2) For the avoidance of doubt —

- (a) if a product highlights sheet is printed on both sides of a sheet, each sheet of the product highlights sheet will count as 2 (two) pages; and
- (b) a page should be no larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size).”

Insertion of new regulation 21A

4. The principal Regulations is amended by inserting, immediately after regulation 21, the following regulation:

“Advertisements shall be fair and balanced

21A.—(1) An advertisement or publication in relation to a collective investment scheme shall –

- (a) give a fair and balanced view of the nature, material benefits and material risks of the scheme offered; and
- (b) present information in a clear manner.

(2) For the purposes of paragraph (1)(a), an advertisement or publication in relation to a collective investment scheme shall be considered as giving a fair and balanced view of the scheme offered if –

- (a) it gives –
 - (i) a balanced description of the risks and potential returns of the scheme; and
 - (ii) a proportionate level of prominence to the warnings, disclaimers and qualifications in relation to the claims on potential returns to which they refer to; and
- (b) it does not –
 - (i) give the impression that an investor can profit without risk;
 - (ii) contain words or graphics that could convey an impression that is inaccurate or inconsistent with the nature or the risks of the scheme;
 - (iii) omit any material information if the omission would cause the advertisement to be misleading; or
 - (iv) present information in footnotes in a way that would alter the meaning of the main text of the advertisement or publication or cause difficulty to an investor in understanding the scheme.

(3) For the purposes of paragraph (1)(b), an advertisement or publication in relation to a collective investment scheme shall be considered as presenting information in a clear manner if –

- (a) it presents information in plain language and in a manner that is easily understood by investors; and
- (b) it limits the use of jargon or technical terms and, where such terms are used, explains such terms in a way that is easy for investors to understand.

(4) An advertisement or publication in relation to a collective investment scheme shall not –

- (a) suggest that –
 - (i) the scheme offered is, or is comparable to, a deposit; or
 - (ii) there is no or little risk of the investor losing his principal amount or not achieving the stated or targeted rate of returns; or
- (b) contain information that is outdated unless it is specified in the advertisement or publication that the information presented is historical information.

(5) Where a collective investment scheme is –

- (a) structured as a capital guaranteed fund that meets the applicable requirements in the Code on Collective Investment Schemes, an advertisement or publication in relation to the scheme shall clearly highlight that while there is a guarantor that guarantees the return of the full or part of the principal amount to investors at a pre-determined date, there is no assurance that guarantor will be able to fulfill its obligations under the guarantee; or
- (b) structured with the objective of returning the full principal amount to investors at a pre-determined date other than as a capital guaranteed fund that meets the applicable requirements in the Code on Collective Investment Schemes, an advertisement or publication in relation to the scheme shall clearly highlight that while the objective is to return the full principal amount to investors at a pre-

determined date, the scheme does not unconditionally guarantee the return of the full principal amount at the pre-determined date.

(6) An advertisement or publication in relation to a collective investment scheme shall include a statement that the advertisement or publication has not been reviewed or endorsed by the Authority.

(7) Any person who issues an advertisement or publication in respect of an offer or intended offer of a collective investment scheme shall ensure that the advertisement or publication is approved by its senior management, prior to the publication or dissemination of the advertisement or publication.

(8) In this regulation –

“senior management” means –

- (a) in the case where the person issuing the advertisement or publication is a corporation, means any person holding the office of chief executive officer or executive director, or equivalent in the corporation;
- (b) in the case where the person issuing the advertisement or publication is an individual, means any person holding the office of chief executive officer or executive director, or equivalent, in the corporation which the first-mentioned person is issuing the advertisement or publication on behalf of as employee or agent.”

Amendment of Sixth Schedule

5. The Sixth Schedule to the principal Regulations is amended -

- (a) by inserting, immediately after the words “fund management” in paragraph 3(1)(a)(i), the words “or real estate investment trust management”; and
- (b) by inserting, immediately after the words “fund management” in paragraph 4(1)(a), the words “or real estate investment trust management”.

Insertion of new Eighth Schedule

6. The principal Regulations is amended by inserting, immediately after the Seventh Schedule, the following Schedule:

EIGHTH SCHEDULE

Regulation 19A(1)

ILLUSTRATION

Illustration 1 - Exchange-traded funds and notes

Prepared on: DD/MM/YY

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

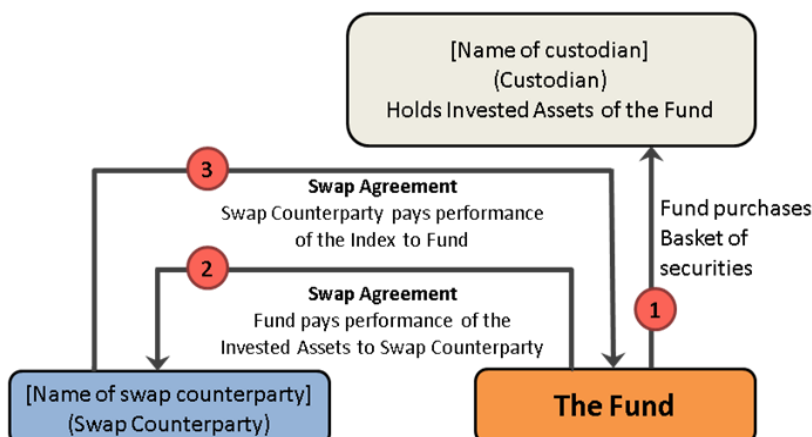
NAME OF PRODUCT

SGX counter name (SGX stock code)	[•]	SGX-ST Listing Date	[•]
Product Type	[Exchange-Traded Fund/Note]	Designated Market Maker	[•]
Management Company/Issuer	[•]	Underlying Reference Asset	[•]
Investment Manager [if applicable]	[•]	Traded Currency	[•]
Expense Ratio (for Exchange-traded Funds)	[•] (Class A Units) [•] (Class B Units) etc. (retail classes)		

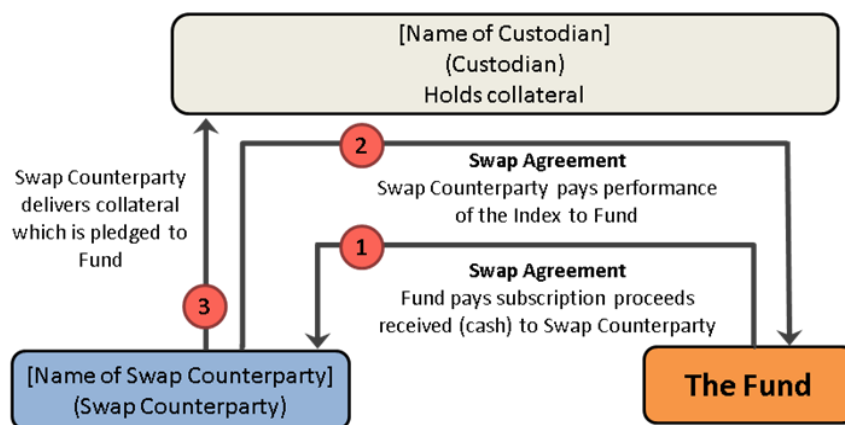
PRODUCT SUITABILITY	
<p>WHO IS THE PRODUCT SUITABLE FOR?</p> <ul style="list-style-type: none"> • The Fund/Note is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> ○ [State return objectives (eg. capital growth/income/capital preservation) which the product will be suitable for] ○ [State if the principal will be at risk] ○ [State other key characteristics of the product which will help investors determine whether the product is suitable for them, especially unique features eg: daily resetting of prices] <p>Example:</p> <ul style="list-style-type: none"> • The Fund is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> ○ want capital growth rather than regular income; ○ believe that the XXX Index will increase in value; and ○ are comfortable with the greater volatility and risks of an equity fund. 	<p><u>Further Information</u></p> <p>Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on product suitability.</p>

¹ The Prospectus is available for collection at [time and place] or accessible at [web address, if applicable]

KEY PRODUCT FEATURES	
<p>WHAT ARE YOU INVESTING IN?</p> <p><i>[State key features of the product, such as the legal classification of the product, the broad investment objective of the product, whether it intends to offer regular dividends and when those are paid. Describe the underlying index, including how they would affect the payoff. Also describe how the payoff is calculated. Where the index has unique features of its construction or its payoff, describe these features, with the assistance of tables and diagrams if necessary.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> You are investing in an Exchange Traded Fund constituted in [Place of constitution] that aims to track the XXX index (the “Underlying Index”) by entering into a derivative swap transaction with another party known as the swap counterparty. The Underlying Index is maintained by [Name of index sponsor] and represents the [eg: leading 500 large-cap companies in the U.S.] The index constituents are reviewed quarterly, and are diversified across all sectors. 	<p><i>[Describe where an investor can find published figures for the value of the index eg: the index provider’s website. Also describe where more details on the construction methodology or any unique features can be found.]</i></p>
Investment Strategy	
<p><i>[Describe how the product intends to track the index/securities. For instance, if the product uses a representative sampling method or synthetic replication method, describe how this is carried out. If an investment strategy other than the direct investment method is used, explain why. Any processes and structures which introduce significant risk should be included in the description. Include diagrams of the structure of the product or pie charts of asset allocation as at a date near the date of Product Highlights Sheet to show sectoral/country/asset type allocation, if applicable.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> In order to achieve the investment objective, the Fund may use either or both of the following methods: <ul style="list-style-type: none"> Method 1: Invest in a basket of securities (step 1 in the diagram on the next page) and exchange the performance of the basket of securities (step 2) with the swap counterparty for the performance of the Underlying Index (step 3). If the value of the basket of securities grows by 5% and the underlying index grows by 6%, the Fund will pay the swap counterparty 5% and the swap counterparty will pay the fund 6%. and/or 	<p>Refer to the “[Relevant Section]” on Pg XX of the Prospectus for the full diagrams of the structure of the Fund.</p>



- Method 2: Pass the subscription proceeds received from investors to a swap counterparty (step 1 in the diagram below) in exchange for the performance of the Underlying Index (step 2). The counterparty will give collateral to the Fund which will be held by the Custodian (step 3).



Parties Involved

WHO ARE YOU INVESTING WITH?

*[State all parties involved in the structure of the product, such as the name of the **issuer/umbrella fund/fund company, manager and sub-manager, swap counterparty**, and the **trustee/custodian**, where applicable.].*

Example:

- The Management company is [●]. The Investment Manager of the Fund is [●]. The Custodian of the Fund is [●]. The Swap Counterparty is [●].

Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

[State key risks which are either commonly occurring events, or which may cause significant losses if they occur, or both. While the risks may overlap into multiple categories below, there is no need to repeat the same risk in more than one section. Product-specific market or liquidity risks should be included under the market or liquidity risks section respectively. Where there is a risk that an investor may lose all of his initial principal investment, emphasise this with bold or italicised formatting.].

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment:

Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on risks of the product.

Market and Credit Risks

[State market risks (including currency risks) and counterparty risks which may affect the traded price of the product.].

<p>Example:</p> <ul style="list-style-type: none"> • Market prices for Units may be different from their Net Asset Value (NAV) <ul style="list-style-type: none"> ○ The price of any Units traded on the SGX-ST will depend, amongst other factors, on market supply and demand, as well as the prevailing financial market, corporate, economic and political conditions, and their price may be different from the NAV of the Fund. 	
Liquidity Risks	
<p><i>[State the risks that an investor would face in trying to exit the product.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • You can redeem your Units with the manager only if you meet the minimum redemption amount of USD\$100,000. • The secondary market may be illiquid. <ul style="list-style-type: none"> ○ You can sell your Units on the SGX. However, you may not be able to find a buyer on the SGX-ST when you wish to sell your Units. While the Fund intends to appoint at least one market maker to assist in creating liquidity for investors, liquidity is not guaranteed and trading of Units on the SGX-ST may be suspended in various situations. ○ If the Units are delisted from the SGX-ST or if the CDP is no longer able to act as the depository for the Units listed on the SGX-ST, the Units in the investors' securities accounts with the CDP or held by the CDP will be compulsorily repurchased by the Market Maker at a price calculated by reference to the NAV of the Fund calculated as of the second Singapore trading day following the delisting date. 	<p>Refer to the "[Relevant Section]" on Pg XX of the Prospectus for situations in which trading of units may be suspended.</p>
Product-Specific Risks	
<p><i>[State product-specific risks, which include structure-related risks, investment objective related risks, potential legal risks, potential risks leading to tracking errors etc]</i></p> <p>Example:</p> <ul style="list-style-type: none"> • You are exposed to counterparty risk related to derivative transactions <ul style="list-style-type: none"> ○ The Fund may enter into derivative transactions (such as swap agreements) and be exposed to the risk that the counterparties to such transactions may default on their obligations. However, the Fund is required to limit its exposure to any single counterparty to 10% of its NAV. ○ If the Swap Counterparty defaults on its obligations, you may sustain a loss on your investment in the Fund. The Fund limits its net exposure to the Swap Counterparty by obtaining collateral from the Swap Counterparty. In the event the Swap Counterparty defaults on its obligations, the value of the Fund will depend on the value of the collateral or basket of securities held. • You are exposed to the risk that the USD will depreciate in value against the SGD. <ul style="list-style-type: none"> ○ The Fund is denominated and traded in SGD whereas the underlying investments are denominated in USD. Therefore, investors may lose money if the USD were to depreciate against the SGD, even if the market value of the relevant underlying shares actually goes up. 	<p>Refer to "[Relevant Section]" on Pg XX of the Prospectus for details on mitigating counterparty risk exposure in the swap agreements and what happens if the swap counterparty defaults.</p>

<ul style="list-style-type: none"> • The Fund, Management Company and Custodian are not constituted in Singapore and are governed by foreign laws. Certain investments by the Fund such as swaps are also governed by foreign laws. ○ Any winding up of these investments may involve delays and legal uncertainties for Singaporean investors. 							
<h2>FEES AND CHARGES</h2>							
<p>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</p> <p><i>[State all fees and charges payable. This includes management fees, distribution fees, and any other substantial fees of more than 0.1% of NAV or of subscription value. Distinguish between fees payable via the investors' investments in the product and fees payable directly by the investors. Indicate if the fees are payable once-off or on a per-annum basis. If fees may later be increased or new fees introduced, such as fees related to the unwinding of investments, state so here.]</i></p> <p>Example:</p> <p><u>Payable by the Fund from invested proceeds:</u></p> <table border="1" data-bbox="225 1003 1098 1225"> <tr> <td>Management Fee</td><td>○ Up to 0.30% per annum; Currently 0.30% per annum</td></tr> <tr> <td>Trustee Fee</td><td>○ 0.10% per annum</td></tr> <tr> <td>Audit Fee, administrative expenses and other miscellaneous fees</td><td>○ Up to 0.10% per annum</td></tr> </table> <p><u>Payable directly by you:</u></p> <ul style="list-style-type: none"> • For purchases and sales on the SGX-ST: Normal brokerage and other fees apply. Please contact your broker for further details. 	Management Fee	○ Up to 0.30% per annum; Currently 0.30% per annum	Trustee Fee	○ 0.10% per annum	Audit Fee, administrative expenses and other miscellaneous fees	○ Up to 0.10% per annum	<p>Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on fees and charges.</p>
Management Fee	○ Up to 0.30% per annum; Currently 0.30% per annum						
Trustee Fee	○ 0.10% per annum						
Audit Fee, administrative expenses and other miscellaneous fees	○ Up to 0.10% per annum						
<h2>CONTACT INFORMATION</h2>							
<p>HOW DO YOU CONTACT US?</p> <p><i>[State contact details of issuers/distributors whom investors can contact if they have enquiries. Include a website address and email address if appropriate]</i></p>							

Illustration 2 - Unlisted CIS

Prepared on: DD/MM/YY

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus².
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

NAME OF PRODUCT

Product Type	Unit Trust	Inception Date	[•]
Manager	[•]	Custodian	[•]
Trustee	[•]	Dealing Frequency	Every Business Day/Every Monday
Capital Guaranteed	[Yes/No]	Expense Ratio for [Previous FY]	[•] (Class A Units) [•] (Class B Units) etc. (retail classes)
Name of Guarantor	[•]		

PRODUCT SUITABILITY	
<p>WHO IS THE PRODUCT SUITABLE FOR?</p> <ul style="list-style-type: none"> • The Fund is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> ○ [State return objectives (eg. capital growth/income/capital preservation) which the product will be suitable for] ○ [State if the principal will be at risk] ○ [State how long investors should be prepared to hold the investment for products which have lock-in periods] ○ [State other key characteristics of the product which will help investors determine whether the product is suitable for them] <p>Example:</p> <ul style="list-style-type: none"> • The Fund is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> ○ seek capital growth over a period of 3 years or longer; ○ also seek regular income through yearly distributions; and ○ are comfortable with the greater volatility and risks of an equity fund. 	<p><u>Further Information</u></p> <p>Refer to the “[Relevant Section]” on Pg XX of the Prospectus for further information on product suitability.</p>

² The Prospectus is available for collection at [time and place] or accessible at [web address, if applicable]

KEY PRODUCT FEATURES	
<p>WHAT ARE YOU INVESTING IN?</p> <p><i>[State key features of the product, such as the legal classification of the product, the broad investment objective of the product, whether it intends to offer regular dividends and when those are paid. If the product is structured to give specific payoffs due to certain trigger events or scenarios, describe those scenarios and provide scenario analysis and numerical examples. Where the index has unique features of its construction or its payoff, describe these features, with the assistance of tables and diagrams if necessary.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> You are investing in a unit trust constituted in [Place of constitution] that aims to provide you with returns through long term capital growth by investing in companies set up in the Asia Pacific region. You may receive yearly distributions on or around 31 December. The Manager will decide whether a distribution is to be made based on [factors]. 	<p>Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on features of the product.</p>
Investment Strategy	
<p><i>[Describe how the fund intends to achieve its objective. For instance, describe the eligible assets it may invest in and the management philosophy. Any processes and structures which introduce significant risk should be included in the description. Include diagrams of the structure of the fund if the fund is a structured fund, or pie charts of asset allocation as at a date near the date of Product Highlights Sheet to show sectoral/country/asset type allocation, if applicable.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> The Fund will invest primarily in shares of companies listed on stock exchanges in the Asia Pacific region. The Fund may hold cash or invest in derivatives instruments for purposes of hedging, reducing cost, reducing risk, or generating capital or income for no or minimal increase in risk. 	<p>Refer to the "[Relevant Section]" on Pg XX of the Prospectus for the full diagrams of the structure of the Fund.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <p><i>[State all parties involved in the structure of the product, such as the name of the umbrella fund/fund company, manager and sub-manager, swap counterparty, and the trustee/custodian, where applicable.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> The Manager is [●], and the Trustee is [●]. The fund uses [●] as the counterparty for most of its derivative transactions. 	<p>Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p>

KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT? <i>[State key risks which are either commonly occurring events, or which may cause significant losses if they occur, or both. While the risks may overlap into multiple categories below, there is no need to repeat the same risk in more than one section. Product-specific market or liquidity risks should be included under the market or liquidity risks section respectively. If fees may later be increased or new fees introduced, such as fees related to the unwinding of investments, state so here.]</i></p> <p>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to the “[Relevant Section]” on Pg XX of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<p><i>[State market risks (including currency risks) and counterparty risks which may result in the loss of capital or affect the pay-off of the investment and their consequences]</i></p> <p>Example:</p> <ul style="list-style-type: none"> You are exposed to the market risks in Asia Pacific markets. <ul style="list-style-type: none"> Your investments may go up or down due to changing economic, political or market conditions that impact the share price of the companies that the Fund invests in. You have greater exposure to market risks as this is an equity fund. <ul style="list-style-type: none"> Historically, equities have greater volatility than bonds and other fixed income securities. The Fund’s valuation and the price at which you can exit may correspondingly fluctuate more strongly on a day-to-day basis compared to funds investing in bonds and other fixed income securities. 	
Liquidity Risks	
<p><i>[State the risks that an investor would face in trying to exit the product, eg: limitations on redemption or factors that may delay the payment of redemption proceeds.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> The Fund is not listed and you can redeem only on Dealing Days. <ul style="list-style-type: none"> There is no secondary market for the Fund. All redemption requests should be made to the Manager. 	

Product-Specific Risks

[State product-specific risks, which include structure-related risks, investment objective related risks, potential legal risks, etc]

Example:

- **You are exposed to derivatives risks.**
 - The Manager may use derivative instruments, including futures, options, warrants, forwards, swaps or swap options, from time to time in managing the investments of the Fund.
 - The usage of derivatives may negatively impact the value of the Fund and the Fund may suffer greater losses than if the Fund had not used derivatives
 - At the worst case, you may lose all your funds invested if the Fund is fully exposed to derivative positions that move against the Manager's judgement.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

[State all fees and charges payable. This includes management fees, distribution fees, and any other substantial fees of more than 0.1% of NAV or of subscription value. Distinguish between fees payable via the investors' investments in the fund and fees payable directly by the investors. Indicate if the fees are payable once-off or on a per-annum basis. If fees may later be increased or new fees introduced, state so here.]

Example:

Payable directly by you

- You will need to pay the following fees and charges as a percentage of your gross investment sum:

Sales Charge	<ul style="list-style-type: none"> ○ Up to 5% for cash and SRS investment ○ Up to 3% for CPF investment
Redemption Charge	<ul style="list-style-type: none"> ○ Currently NIL (maximum 5%)
Switching Fee	<ul style="list-style-type: none"> ○ Currently NIL (maximum 1%)

Payable by the Fund from invested proceeds

- The Fund will pay the following fees and charges to the Manager, Trustee and other parties:

Management Fee	<ul style="list-style-type: none"> ○ 1.5% per annum
Trustee Fee	<ul style="list-style-type: none"> ○ 0.1% per annum, subject to a minimum of S\$15,000
Accounting and Valuation Fee	<ul style="list-style-type: none"> ○ 0.025% per annum, subject to a minimum of S\$5,000

Refer to the "[Relevant Section]" on Pg XX of the Prospectus for further information on fees and charges.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

[State how often and where valuations are published, eg: provide a web address or the name of local newspapers where the valuation is published.]

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

[State length of cancellation period and describe how investors can exit from the investment if they change their mind within the cancellation period and the relevant costs. If there is no cancellation period, state so clearly. Subsequent to the cancellation period, describe how investors can exit from the investment and the relevant costs.]

Refer to the “[Relevant Section]” on Pg XX of the Prospectus for further information on valuation and exiting from the product.

Example:

- You can exit the Fund at any time by writing to the Manager, either directly or through the financial adviser from whom you purchased the Fund. If you do so within the cancellation period of 7 days from time of purchase, you may do so without incurring the sales charge and fees stated above. However, you will have to take the risk for any price changes in the NAV of the Fund since you purchased it and pay an admin fee of \$X.
- You will receive the sale proceeds within six business days from the time the Manager receives your request to exit from the Fund.
- Your exit price is determined as follows:
 - If you submit the redemption order before 5pm on a business day, you will be paid a price based on the net asset value of the Fund at the close of that business day.
 - If you submit the redemption order after 5pm, you will be paid a price based on the net asset value at the close of the next business day.
- The sale proceeds that you will receive will be the exit price multiplied by the number of units sold, less any charges. An example is as follows:

Exit price X Number of units sold	=	Gross Sale Proceeds
S\$1.250 X 1,000	=	S\$1,250

Gross Sale Proceeds	-	Realisation Charge	=	Net Sale Proceeds
S\$1,250	-	S\$0.00	=	S\$1,250

CONTACT INFORMATION

HOW DO YOU CONTACT US?

[State contact details of issuers/distributors whom investors can contact if they have enquiries. Include a website address and email address if appropriate]

APPENDIX: GLOSSARY OF TERMS

[This section should explain terms used in the Product Highlights Sheet which may not be understandable to the average investor. Where possible, issuers should simplify the terms used in the main body of the Product Highlights Sheet instead of explaining them in the glossary.]

Term: Description

Term: Description

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Made this day of 2013.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.