

# PROSPECTUS

Dated 22 September 2021  
(Replacement Prospectus dated 31 March 2022)

■ **Nikko AM Shenton  
Horizon Investment Funds**

This Prospectus dated 31 March 2022 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act 2001, which replaces the Prospectus registered by the Monetary Authority of Singapore on 22 September 2021.

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## **NIKKO AM SHENTON HORIZON INVESTMENT FUNDS**

### **MANAGERS**

Nikko Asset Management Asia Limited  
Company Registration No.: 198202562H  
12 Marina View  
#18-02, Asia Square Tower 2  
Singapore 018961

### **SOLICITORS TO THE MANAGERS**

Allen & Gledhill LLP  
One Marina Boulevard #28-00  
Singapore 018989

### **TRUSTEE**

BNP Paribas Trust Services Singapore Limited  
Company Registration No.: 200800851W  
20 Collyer Quay  
#01-01  
Singapore 049319

### **SOLICITORS TO THE TRUSTEE**

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

### **AUDITORS**

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

### **REGISTRAR**

BNP Paribas Trust Services Singapore Limited  
Company Registration No.: 200800851W  
20 Collyer Quay  
#01-01  
Singapore 049319

### **CUSTODIAN**

BNP Paribas Securities Services, operating  
through its Singapore branch  
Company Registration No.: T08FC7287D  
20 Collyer Quay  
#01-01  
Singapore 049319

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## NIKKO AM SHENTON HORIZON INVESTMENT FUNDS (THE “FUND”)

### IMPORTANT INFORMATION

The collective investment schemes offered in this Prospectus are each an authorised scheme under the Securities and Futures Act 2001. 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 the Prospectus. Registration of the Prospectus by the Authority does not imply that the Securities and Futures Act 2001, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment schemes.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with this offering of securities to which it relates by distribution as contemplated herein.

The units in the Sub-Funds (as defined in paragraph 1 of this Prospectus) may not be directly or indirectly offered or sold in the United States of America or any of its states, territories, possessions or other areas subject to its jurisdiction (the “United States”) or for the benefit of a United States person (as defined in the United States Securities Act of 1933, as amended) (“US Person”). If at any time it shall come to the knowledge of Nikko Asset Management Asia Limited (the “Managers”) that any of the units in the Sub-Funds (the “Units”) are held by or in the beneficial ownership or under the control of a US Person, the Managers shall have the right, on giving written notice, to purchase from the holder such Units at the Realisation Price.

The Managers accept full responsibility for the accuracy of information contained and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

You should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements which may be relevant to the subscription, holding or disposal of Units and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units.

You should carefully consider the risks of investing in the Sub-Funds which are set out in paragraph 33 of this Prospectus.

The Units are not listed on any stock exchange and can be purchased from, sold, exchanged or converted through the approved distributors of the Managers, subject to the Managers' ultimate discretion to accept or reject all applications or other instructions in respect of the Units in accordance with the trust deed of the Fund (as amended). Institutional investors may also apply for, redeem, exchange or convert Units through the Managers directly. You should direct all enquiries about the Fund or any Sub-Fund to the Managers or their approved distributors.

You should note that as of the date of registration of this Prospectus, only the Singapore Dividend Equity Fund is a Qualifying CIS<sup>1</sup> under the ASEAN CIS Framework<sup>2</sup>.

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<sup>1</sup> “Qualifying CIS” means a collective investment scheme constituted or established in its home jurisdiction which has been approved by its home regulator for offer to the public in the home jurisdiction, and assessed by its home regulator as suitable to apply to a host regulator for its units to be offered to the public cross-border in the host jurisdiction pursuant to the ASEAN CIS Framework.

<sup>2</sup> “ASEAN CIS Framework” means the streamlined authorisation framework for the cross-border offer of ASEAN collective investment schemes developed pursuant to the ACMF's Implementation Plan endorsed at the 13th ASEAN Finance Ministers' Meeting. “ACMF” means the ASEAN Capital Markets Forum.

The Units are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **Personal Data Protection**

You consent and acknowledge that any personal data provided to the Managers, the Trustee (as defined in paragraph 3 of this Prospectus), the Custodian (as defined in paragraph 12 of this Prospectus), the Registrar (as defined in paragraph 13 of this Prospectus) and/or such other appointed representatives, agents and/or service providers of the Managers and/or each of their affiliates and related corporations (as defined under Section 6 of the Singapore Companies Act 1967) ("**Recipients**", each a "**Recipient**") whether directly or through appointed distributors or agents or otherwise collected by or on behalf of a Recipient in connection with the subscription for Units, including any personal data relating to third party individuals (e.g. your beneficial owners, directors or authorised signatories, if you are not an individual) ("**Data**") may be collected, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register of unitholders of each Sub-Fund; (ii) processing instructions from you or persons acting on your behalf or processing your trades or those of persons acting on your behalf; (iii) complying with any applicable rules, laws or regulations, regulatory policies, guidelines or industry codes, orders, directions or requests issued by any court, legal or regulatory bodies (whether in Singapore or otherwise) including rules and regulations relating to anti-money laundering and countering the financing of terrorism and the carrying out of audit checks, surveillance and investigation; (iv) preventing, detecting and investigating crime, offence or unlawful activity including but not limited to fraud, money-laundering, terrorist financing and bribery, and analysing and managing commercial risks; (v) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction; (vi) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction; (vii) providing client-related services, including providing customer support, responding to queries or feedback given by you or persons acting on your behalf, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to you or persons acting on your behalf; (viii) verifying your identity or the identity of persons acting on your behalf; (ix) reviewing and approving your account(s), and the conduct of initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing credit worthiness and standing; (x) legal claims, actions or proceedings including but not limited to drafting and reviewing documents, obtaining legal advice and facilitating dispute resolution or exercising or enforcing the rights of a Recipient under contract or pursuant to applicable laws and regulations; (xi) administering, operating, processing or managing the Units, the Fund or any Sub-Fund; (xii) meeting or complying with the Recipient's internal policies and procedures; (xiii) handling feedback, queries or complaints; (xiv) maintaining the security of the Recipient's premises including but not limited to the use of forms of surveillance such as security cameras; (xv) facilitating any proposed or actual business assignment, transfer, participation or sub-participation in any of the Recipient's rights or obligations in respect of your relationship with the Recipient; (xvi) all purposes reasonably related to one or more of the foregoing; and (xvii) conducting general administration in relation to the foregoing. Where you provide personal data relating to third party individuals to a Recipient, you warrant that the prior consent of such third party individual, which will allow a Recipient to collect, use and disclose that personal data in the manner and for the purposes described above, has been obtained, and consent to and acknowledge all such collection, use and disclosure on behalf of that third party individual. You shall, upon request from any Recipient, promptly provide a copy of the document(s) containing or evidencing such prior consent obtained from such third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (i) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (ii) related corporations of the Managers, the Trustee (as defined in paragraph 3 of this Prospectus), the Custodian (as defined in paragraph 12 of this Prospectus) or the Registrar (as defined in paragraph 13 of this Prospectus); and (iii) any agent, contractor or third party service provider who provides administrative, mailing, data processing, business process, human resource, information technology or other services to a Recipient in connection with the operation of the business of a Recipient or the administration and operation of the Fund and/or any Sub-Fund.

You may, after consenting to the collection, use and disclosure of your Data, withdraw your consent by giving notice in writing to the Managers, whether directly or through your appointed agents or distributors. You should note that a notice of withdrawal of consent submitted by you, or by any third party individuals whose personal data you have provided to the Recipients (e.g. your beneficial owners, directors or authorised signatories, if you are not an individual), may be deemed to be a request for redemption of all Units held by you.

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

### **Foreign Account Tax Compliance**

You acknowledge that you shall notify the Managers or their approved distributors immediately in writing if you are a US Person or if you have subscribed for or hold any Units on behalf of any US Person. You shall further notify the Managers or their approved distributors not later than thirty (30) days of any change under FATCA or any laws or regulations that affects your tax status or the tax status of any US Person on whose behalf you have subscribed for or hold any Units.

You represent and warrant that you have provided or shall provide to the Managers or their approved distributors all documentation or other information required for compliance with FATCA and in connection with any change in tax status and shall otherwise provide all required documentation (including the completion of any FATCA related forms and documents) and other information not later than seven (7) days of any request in writing by the Managers or their approved distributors.

You acknowledge that if you fail to provide accurate and timely information the Managers and their approved distributors have the right to deem you recalcitrant and/or reportable and shall be entitled to take all necessary action(s) against you to be compliant with requirements under FATCA, including but not limited to any local legislation enacted in connection with FATCA as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time. You should note that the Managers may compulsorily realise all or any of your Units in any of the circumstances set out in paragraph 61 of this Prospectus.

You consent to the collection, storage, and disclosure of any confidential information including personal data to persons to whom payments are made or from whom payments are received for your account and to governmental authorities as required by laws and regulations or other agreement by or between governments pursuant to FATCA. You represent that you have secured from any third party whose information may be provided to the Managers and their approved distributors all necessary consents and/or waivers to permit the Managers and their approved distributors to carry out the actions required pursuant to FATCA, and that you shall secure such consents and waivers prior to furnishing such information to the Managers and their approved distributors.

You acknowledge that the Managers and their approved distributors are entitled to take all necessary action determined by the Managers and the approved distributors to be and remain compliant with

FATCA as is required by law or other agreement by or between governments. You authorise the Managers and their approved distributors to withhold or otherwise deduct from any payment any required tax or other government assessment, including but not limited to any requirement to withhold or deduct an amount pursuant to FATCA.

The Managers and their approved distributors shall have the right to determine and carry out any action which they consider to be appropriate to meet any obligations or requirements, whether in Singapore or elsewhere, for the purpose of the prevention of tax evasion. Such actions may include, but shall not be limited to, investigating and intercepting payments into and out of your account(s) (particularly in the case of international transfer of funds), investigating the source of or intended recipient of funds, sharing information and documents with any tax or regulatory authorities and withholding income from your account(s) and transferring it to such tax authorities. If there is any doubt as to whether a payment in or out of your account is lawful, the Managers and their approved distributors reserve the right to cease all dealings with you in relation to such account.

For the purposes of this section relating to foreign account tax compliance, the following words and expressions shall have the following meanings:

**“FATCA”** means sections 1471 through 1474 of the United States Internal Revenue Code and any regulations and other guidance issued in connection thereto or any other agreement entered into with or between authorities and governments arising out of or in connection with FATCA or the implementation thereof, as each may be modified, amended, supplemented, re-enacted or re-constituted from time to time.

**“US Person”** means a United States citizen or resident individual, a partnership or corporation organised in the United States or under the laws of the United States or any state of the United States, or a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the United States Internal Revenue Code. Please note that persons who have lost their United States citizenship and who live outside the United States may nonetheless in some circumstances be treated as US Persons.

### **Common Reporting Standard and Automatic Exchange of Information**

Following the development by the Organisation for Economic Cooperation and Development of a common reporting standard (“**CRS**”) to achieve a comprehensive and multilateral automatic exchange of information, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (the “**CRS Regulations**”) have been promulgated to allow Singapore to implement the CRS with effect from 1 January 2017. Singapore has committed to commence exchange of information under the CRS in 2018.

The CRS Regulations require certain Singapore financial institutions (as defined in the CRS Regulations) to identify financial asset holders and establish if they are resident for tax purposes in countries with which Singapore has a tax information sharing agreement. Singapore financial institutions will then report financial account information of the asset holder to the Singapore tax authorities, which will thereafter automatically transfer this information to certain competent foreign tax authorities on a yearly basis.

Accordingly, the Managers and/or the Trustee (as defined in paragraph 3 of this Prospectus) will require you to provide, amongst other things, information in relation to your identity and tax residence(s) of your account(s) (and the controlling persons, if any), account details, reporting entity, account balance/value and income/sale or redemption proceeds and any additional documentation or information, which will

then be reported to the Inland Revenue Authority of Singapore and the other relevant tax authorities for purposes of complying with FATCA, the CRS Regulations and any similar automatic exchange of tax information regimes.

You should consult your professional advisers on the possible tax and other consequences with respect to the implementation of FATCA and CRS.

**WARNING**

The Sub-Funds may be offered to professional investors in Hong Kong. Hong Kong investors should note that the contents of this document have not been reviewed by any regulatory authority in Hong Kong and are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.



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## I BASIC INFORMATION

1. The names of the collective investment schemes offered pursuant to this Prospectus are set out in paragraph 18 of this Prospectus. The schemes are organised under an umbrella unit trust called the Nikko AM Shenton Horizon Investment Funds (the "**Fund**"). Each scheme shall be referred to as a "**Sub-Fund**", and collectively as the "**Sub-Funds**", in this Prospectus.
2. This Prospectus is a replacement prospectus lodged with the MAS on 31 March 2022. It replaces the prospectus that was registered with the MAS on 22 September 2021. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 21 September 2022) and shall expire on 22 September 2022.
3. The Fund is constituted as a unit trust in Singapore pursuant to the trust deed dated 25 June 1999 (the "**Trust Deed**") entered into between Nikko Asset Management Asia Limited (previously known as "DBS Asset Management Ltd") (the "**Managers**") and RBC Investor Services Trust Singapore Limited (previously known as "RBC Dexia Trust Services Singapore Limited", "Dexia Trust Services Singapore Limited" and "BIL Trust (Singapore) Limited") (the "**Retired Trustee**"), as amended and supplemented by a First Supplemental Deed dated 22 May 2000, a Second Supplemental Deed dated 25 May 2001, a Third Supplemental Deed dated 16 July 2001, a Fourth Supplemental Deed dated 17 July 2003, a Fifth Supplemental Deed dated 1 July 2004, a Sixth Supplemental Deed dated 29 December 2004, a Seventh Supplemental Deed dated 23 June 2006, an Eighth Supplemental Deed dated 27 April 2009, a Ninth Supplemental Deed dated 27 October 2010, a First Amended and Restated Deed dated 23 September 2011, a First Supplemental Deed to the First Amended and Restated Deed dated 17 October 2011, a Second Supplemental Deed dated 20 February 2012 and a Second Amended and Restated Deed dated 31 October 2012, each entered into between the Managers and the Retired Trustee, a Supplemental Deed of Retirement and Appointment of Trustee dated 4 April 2013 entered into between the Managers, the Retired Trustee and BNP Paribas Trust Services Singapore Limited (the "**Trustee**") and a Third Amended and Restated Deed dated 24 June 2013, a Fourth Amended and Restated Deed dated 16 December 2013, a Third Supplemental Deed dated 14 February 2014, a Fifth Amended and Restated Deed dated 29 October 2014, a Sixth Amended and Restated Deed dated 6 February 2015, a Seventh Amended and Restated Deed dated 30 September 2015, an Eighth Amended and Restated Deed dated 28 October 2015, a Ninth Amended and Restated Deed dated 27 October 2016, a First Supplemental Deed dated 25 April 2017, a Second Supplemental Deed dated 15 September 2017, a Third Supplemental Deed dated 26 October 2017, a Fourth Supplemental Deed dated 25 October 2018, a Fifth Supplemental Deed dated 22 September 2021 and a Tenth Amended and Restated Deed dated 2 March 2022, each entered into between the Managers and the Trustee (collectively, the "**Supplemental Deeds**"). You may inspect copies of the Trust Deed and the Supplemental Deeds at the registered and business address of the Managers at 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961. The Trust Deed, as amended and supplemented by the Supplemental Deeds shall be referred to as the "**Deed**". Unless specifically defined in this Prospectus, all terms used in this Prospectus (including the Appendix) shall have the same meaning as used in the Deed.
4. You may obtain the latest semi-annual report and accounts and annual report and accounts and the auditor's report on the annual accounts of the Sub-Funds at the business address of the Managers indicated in paragraph 5 below, from the Managers' distributors or from the Managers' website at [www.nikkoam.com.sg](http://www.nikkoam.com.sg). Please refer to paragraph 55 of this Prospectus for more information on the availability of the latest semi-annual report and accounts and annual report and annual audited financial statements of the Sub-Funds.

## II THE MANAGERS

5. The managers for the Sub-Funds are Nikko Asset Management Asia Limited (Company Registration No.: 198202562H) and their registered and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Managers are responsible for investing the assets of the Sub-Funds in accordance with the Deed. The Managers will remain as the managers of the Sub-Funds until they retire or are removed or replaced in accordance with the provisions of the Deed. The Managers are licensed and regulated by the Authority.
6. The Managers have managed collective investment schemes or discretionary funds in Singapore since 1982.
7. The Managers have appointed Nikko Asset Management Europe Ltd (the “**Sub-Managers**”) as the sub-managers of the Nikko AM Multi Sector Credit Fund (formerly known as “Horizon Global Bond Fund (S\$ Hedged)”) and the Nikko AM Global Dividend Equity Fund. The Sub-Managers are domiciled in the United Kingdom and are regulated by the Financial Conduct Authority of the United Kingdom. The Sub-Managers have been managing collective investment schemes or discretionary funds since 1984.

The Sub-Managers have further appointed Nikko Asset Management Americas, Inc. (“**NAM Americas**”) to carry out global equities trading for the Nikko AM Global Dividend Equity Fund during business contingencies. For the avoidance of doubt, the Sub-Managers will continue to maintain full responsibility for all trade order handling and NAM Americas will only execute global equities trades upon instructions from the Sub-Managers. NAM Americas is domiciled in the United States of America and has been managing collective investment schemes or discretionary funds since 1973. NAM Americas is regulated by the United States Securities and Exchange Commission.

8. Subject to Section 295 of the Securities and Futures Act 2001, the Managers may be removed by the Trustee by notice in writing, if they go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a judicial manager or a receiver is appointed over any of their assets. Please refer to the Deed and the Appendix for further information on the role and responsibilities of the Managers and what happens if they become insolvent. In respect of the Nikko AM Global Dividend Equity Fund, the Sub-Managers may be removed by the Managers by notice in writing, if (i) it goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by the Managers), (ii) it is unable to pay its debts as they fall due or is otherwise insolvent or (iii) a judicial manager, administrator, receiver, receiver and manager, liquidator or other analogous officer is appointed over any of its assets.
9. **Directors of the Managers**

### **Seet Oon Hui Eleanor**

Eleanor joined the Managers in 2011 as the President and as an executive director of the Managers. She is also the Head of Asia ex-Japan at the Managers and is responsible for driving the growth of the Managers in the region. Additionally, she leads in the management of Nikko Asset Management group's joint venture relationships in China and Malaysia and is a board member of Affin Hwang Asset Management Berhad. Eleanor is a pioneer in the asset management industry with over 20 years of experience.

Prior to joining the Managers, Eleanor led the distribution effort for iShares, concentrating on the wealth management segments across Asia ex-Japan. Previously, she spent 12 years at AllianceBernstein, where she was responsible for building and developing the firm's distribution

channels and business. In that capacity, she was responsible for the overall strategy and execution of the firm's product offerings in South East Asia via intermediaries.

Eleanor graduated with a Bachelor of Economics from the University of New South Wales, Sydney. In 2017, she was conferred the IBF Fellow distinction by the Institute of Banking and Finance Singapore.

### **Kiyotaka Ryu**

Kiyotaka is a non-executive director of the Managers.

Kiyotaka was appointed as Acting Chief Risk Officer in December 2018 and became Chief Risk Officer in April 2019. He is also Chief Administrative Officer at Nikko Asset Management Co., Ltd ("**Nikko AM**"), helming the position since July 2018. He is responsible for overall business planning and management to support Middle and Back Office functions, as well as leading the global risk management function in Nikko AM.

Kiyotaka joined the Internal Audit Department of Nikko AM in September 2007 and went on to become the Head of Internal Audit where he led the Nikko AM group's Internal Audit practice for three and a half years.

Before joining Nikko AM, he worked for KPMG, as a financial and technology auditor. He served clients from various industries including the financial sector.

He is a qualified accountant and a member of the American Institute of Certified Public Accountants.

He graduated from Waseda University with a Bachelor of Arts in Human Sciences and has also received a Master of Professional Accounting degree from the University of New South Wales.

### **Hiroki Tsujimura**

Hiroki is a non-executive director of the Managers.

Hiroki has held the position of Executive Vice President, Global Head of Investment and Chief Investment Officer of Nikko AM since June 2019, and is responsible for overseeing all investment management activities globally.

Hiroki joined Nikko AM in December 2004 as the firm's Global Head of Alternative Investments and Chief Investment Officer at its New York subsidiary. After relocating to Nikko AM's Tokyo headquarters in August 2010, Hiroki served as Head of Active Investments, where he was in charge of equity, fixed income and alternative investments. He was appointed Chief Investment Officer – Japan in January 2013 and was also named Senior Corporate Managing Director in April 2014. He was named Executive Vice President in May 2019.

Before joining the firm, Hiroki spent 12 years in the investment and financial industry in the United States where he worked in alternative investments serving as Director and Executive Vice President at Nikko Securities International ("**NSI**"). He also started NSI's proprietary trading operation in his role as the head of the equity trading department. At Nikko Securities (now SMBC Nikko Securities) in Japan, Hiroki established a joint venture with an American securities firm, where he served as Executive Vice President and Chief Operating Officer.

He holds a Bachelor's degree from the Faculty of Business and Commerce at Keio University.

## 10. **Key executives of the Managers**

## **Robert Mann**

Robert heads the Asia ex-Japan equity team of the Managers and is responsible for macro research. He has more than 35 years of experience in the securities industry. His experience spans a wide spectrum of roles including managing equities, fixed income and balanced funds, as well as product management. Robert joined the Managers from Treasury Asia Asset Management (“**TAAM**”) which was acquired by Nikko AM in 2013. He was at TAAM for around 3 years where he was running an absolute return fund.

Prior to joining TAAM in 2010, Robert was with Aberdeen Asset Management in Singapore. This followed the sale in mid-2009 of parts of Credit Suisse Asset Management (“**CSAM**”) to Aberdeen. Between 1995 and 2007, Robert was with CSAM in Sydney, first as Fixed Interest Portfolio Manager, then Head of Fixed Interest, and subsequently Chief Investment Officer and Deputy Chief Executive Officer. In 2007, he took on the Singapore based role of Head of Investments Asia Pacific, where he was responsible for a team spread across Australia, Singapore and Tokyo, which managed around S\$20 billion in assets. He was also indirectly responsible for the investment side of Woori CS Asset Management in Seoul which had about US\$ 10 billion of assets under management.

Between 1986 and 1995, Robert was with Credit Suisse First Boston in varied roles, moving between Japan and Australia. During those years, he started out in sales and product management and worked his way up to become Head of Fixed Income Research Asia Pacific overseeing a team of 19 professionals in Tokyo and Sydney.

Robert holds a Bachelor of Commerce with majors in Accounting and Economics from the University of Melbourne and a Graduate Diploma from Securities Institute of Australia. His professional memberships are FCPA (Fellow of Australian Society of CPA’s) and F Fin (Fellow of Financial Services Institute of Australasia).

## **Koh Liang Choon**

Liang Choon is the Head of Fixed Income at the Managers, and he leads a team of experienced analysts and portfolio managers. He is responsible for managing active Asian fixed income portfolios covering Asian local currency fixed income, Asian credits and Asian currencies.

An investment veteran with more than 25 years of investment experience, he has been with the Managers since October 2010 when it was known as DBS Asset Management Ltd prior to its acquisition by Nikko Asset Management Group. Prior to this, Liang Choon has worked with APS Komaba Asset Management Pte Ltd (“**APS**”), DBS Asset Management Ltd, Nomura Singapore Limited and Dresdner Bank. Liang Choon joined APS as a founding member in 2005. Before that, Liang Choon spent four years with DBS Asset Management Ltd managing institutional mandates covering Singapore, Asian and global bond markets. Liang Choon began his career at the trading desks of Nomura Singapore Limited and Dresdner Bank where he gained trading experience in Asian fixed income and currency markets.

He holds a Bachelor of Business Administration with majors in Finance and International Business from Simon Fraser University, Canada, and a Master of Science (Applied Finance) from the National University of Singapore. Liang Choon is also a Chartered Financial Analyst charterholder.

### **11. Portfolio managers of the Singapore Dividend Equity Fund**

The portfolio managers for the Singapore Dividend Equity Fund are Lai Yeu Huan, Kenneth Tang and Winston Lum.

### **Lai Yeu Huan**

Based in Singapore, Yeu Huan is a senior portfolio manager at the Managers. His portfolio responsibilities include Singapore, ASEAN and real estate portfolios. Prior to his current appointment, Yeu Huan was the Head of Equity Research for the Managers, responsible for a team of equity analysts and the equity research process of the Managers.

Yeu Huan has more than 20 years' experience in portfolio management and bottom-up equity research. Prior to the Managers, he headed the equity research team at DBS Asset Management Ltd, which he joined in 2008. Before that, he covered the Asian real estate sector at Lion Global Investors Limited and Standard & Poor's. Prior to that, Yeu Huan was a sell-side analyst covering Singapore banks and other sectors.

Before joining the financial sector, Yeu Huan worked at the Port of Singapore Authority, in various functions including port operations, logistics, and real estate. He obtained a degree in Economics with Honours from the London School of Economics in 1992, under the Port of Singapore Authority's scholarship programme. Yeu Huan is a Chartered Financial Analyst charterholder.

### **Kenneth Tang**

Kenneth Tang is a senior portfolio manager at the Managers based in Singapore. He is responsible for managing Singapore and ASEAN Balanced portfolios.

Kenneth has more than 20 years of investment experience in equity long only and equity long short capacities as well as extensive commodity research experience. Prior to joining the Managers, Kenneth was the lead portfolio manager for PineBridge Investments in Singapore Equity and Balanced portfolios. Before PineBridge Investments, Kenneth was a managing director and portfolio manager at Black River Asset Management focusing on Asian industrial and agricultural commodities.

Between 1996 and 2007, Kenneth served as a research analyst and portfolio manager for Credit Agricole Asset Management ("**CAAM**", now known as Amundi Asset Management). During his time in CAAM, Kenneth was the lead manager for CAAM's country funds in Singapore, Australia, Malaysia and Indonesia as well as a senior portfolio manager for CAAM's discretionary equity mandates. Kenneth helped CAAM attain the best performing fund in the Singapore Equity category at the Asian Investor awards during the period from 2004 to 2006.

Kenneth graduated from the National University of Singapore, with a Bachelor's degree in Business Administration with a major in Finance. He is a Chartered Financial Analyst charterholder.

### **Winston Lum**

Winston Lum is a senior portfolio manager and senior member of the Asian equity team at the Managers based in Singapore, with more than 35 years of experience in the financial industry. He manages relative return mandates. He is in charge of managing the Nikko AM Singapore STI ETF, NikkoAM-StraitsTrading Asia Ex Japan REIT ETF and Nikko AM Global Internet ETF. Prior to his current appointment, Winston was a senior equity analyst at the Managers, covering the financials sector (including banks, insurance companies, brokers and exchanges) in the Asia Pacific region.

Prior to joining the Managers in 2010, Winston spent more than twelve years with Nomura Research Institute and Nomura Singapore Ltd (collectively referred to as "**Nomura**"), where he worked as a senior equity analyst. During his tenure at Nomura, he covered several sectors but

specialised in the financials sector. Prior to that, he was a sell-side analyst with various brokers and an auditor with Price Waterhouse.

Winston has a Bachelor's degree in Accountancy from the National University of Singapore and a Master of Business Administration (Distinction) from the University of Michigan, Ann Arbor, USA. He is also a Chartered Financial Analyst charterholder.

### III THE TRUSTEE AND CUSTODIAN

12. The trustee for the Sub-Funds is BNP Paribas Trust Services Singapore Limited (Company Registration No.: 200800851W) and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319. Under the Deed, the Trustee is responsible for the safekeeping of the assets of the Sub-Funds. The Trustee, may, however, appoint any person or persons to be custodian of such assets. The Trustee is approved and regulated by the Authority.

The Trustee may be removed by the Managers by instrument in writing, if it goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a judicial manager or a receiver is appointed over any of its assets. Please refer to the Deed and the Appendix for further information on the role and responsibilities of the Trustee and what happens if the Trustee becomes insolvent.

The custodian of the Fund is BNP Paribas Securities Services, operating through its Singapore branch (the "**Custodian**"), with its registered office at 20 Collyer Quay, #01-01, Singapore 049319. The Custodian is a global custodian with direct market access in certain jurisdictions and for other markets it engages selected sub-custodians. Any sub-custodian engaged by the Custodian must be regulated in its home jurisdiction. In respect of its sub-custodians, the Custodian operates a selection and on-going monitoring program based on defined criteria which include financial strength, reputation, and breadth and quality of services provided, such as communication capabilities, settlement, safekeeping, corporate action notification and processing, dividend collection and payment, client service delivery, market information management, asset segregation and business continuity planning. The Custodian is licensed and regulated by the Authority.

In the event that the Custodian becomes insolvent, the Trustee may terminate the appointment of the Custodian and, in accordance with the Deed, appoint such other person as the new custodian to provide custodial services to the Fund.

### IV OTHER PARTIES

13. The registrar of the Sub-Funds is BNP Paribas Trust Services Singapore Limited (Company Registration No.: 200800851W) (the "**Registrar**"). Holders may inspect the register of Holders for the relevant Sub-Fund at 20 Collyer Quay, #01-01, Singapore 049319 during usual business hours subject to such closure of the register in accordance with the Deed and such reasonable restrictions as the Trustee may impose.
14. The auditors of the Sub-Funds are PricewaterhouseCoopers LLP of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936 (the "**Auditors**").
15. The Managers have delegated their fund administration and valuation functions in respect of the Sub-Funds to BNP Paribas Securities Services, operating through its Singapore branch.
16. BNP Paribas Securities Services, operating through its Singapore branch has been appointed as the collateral management service provider for the Horizon Singapore Fixed Income Enhanced Fund in respect of the OTC derivative transactions carried out by this Sub-Fund.

17. Counterparties, brokers and/or prime brokers (if any) that are used by the Sub-Funds are selected from an approved panel and their appropriateness for continuous use by the Managers is reviewed on a regular basis. The Managers must complete due diligence on the counterparties, brokers and/or prime brokers and obtain the relevant internal approvals for their inclusion onto the panel. However, for inclusion onto the panel of counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter derivatives, secured/unsecured call loan or securities lending, approval must also be sought from the risk management department of the Managers' parent company, Nikko AM.

## V STRUCTURE OF THE SCHEMES

18. The Fund is an umbrella fund comprising the following 4 Sub-Funds, each of which is a sub-fund of the Fund:
- i. Nikko AM Multi Sector Credit Fund (formerly known as Horizon Global Bond Fund (S\$ Hedged))
  - ii. Nikko AM Global Dividend Equity Fund
  - iii. Singapore Dividend Equity Fund
  - iv. Horizon Singapore Fixed Income Enhanced Fund.

A separate portfolio is maintained for each Sub-Fund and is invested in accordance with the investment objective, focus and approach applicable to that Sub-Fund.

19. *[This paragraph is intentionally left blank.]*

20. The Managers have the discretion to establish different classes of Units (each a "**Class**" and collectively the "**Classes**") within each Sub-Fund from time to time. As at the date of registration of this Prospectus, the Classes of the Sub-Fund available for subscription in Singapore as are follows:

Sub-Fund	Reference currency of Sub-Fund	Classes
Nikko AM Multi Sector Credit Fund	Singapore dollar (" <b>SGD</b> " or " <b>S\$</b> ")	SGD (Acc) SGD (Dist) USD Hedged (Acc) USD Hedged (Dist) RMB <sup>3</sup>
Nikko AM Global Dividend Equity Fund	United States dollar (" <b>USD</b> " or " <b>US\$</b> ")	SGD SGD Hedged (Acc) SGD Hedged (Dist) USD (Acc) USD (Dist) CNH Hedged (Dist) CNH

<sup>3</sup> "**RMB**" means the lawful currency of the People's Republic of China.



Singapore Dividend Equity Fund	SGD	SGD USD Japanese Yen (“ <b>JPY</b> ”) RMB
Horizon Singapore Fixed Income Enhanced Fund	SGD	SGD USD RMB

You should note that each Class of each Sub-Fund is not a separate fund from the other Class(es) in the same Sub-Fund. Subscriptions collected by the Managers from all Classes of a Sub-Fund are pooled and invested as a single Sub-Fund. The Value of Units in each Class is therefore based on the net asset value (“**NAV**”) of the relevant Sub-Fund. You should refer to section XI of this Prospectus on the availability of a regular savings plan for the Classes.

Additional information relating to the Nikko AM Multi Sector Credit Fund

There are no material differences between the SGD (Acc) Class Units, the SGD (Dist) Class Units, the USD Hedged (Acc) Class Units and the USD Hedged (Dist) Class Units of the Nikko AM Multi Sector Credit Fund save for (i) the currency of denomination and (ii) distribution policies applicable to the Classes. The RMB Class Units differ from the SGD Class Units and the USD Class Units in terms of their currency of denomination, minimum initial investment amount, minimum subsequent investment amount, minimum realisation amount and Initial Sales Charge.

Additional information relating to the Horizon Singapore Fixed Income Enhanced Fund

There are no material differences between the SGD Class Units and the USD Class Units of the Horizon Singapore Fixed Income Enhanced Fund save for the currency of denomination. The RMB Class Units differ from the SGD Class Units and the USD Class Units in terms of their currency of denomination, minimum initial investment amount, minimum subsequent investment amount, minimum realisation amount and Initial Sales Charge.

Additional information relating to the Singapore Dividend Equity Fund

There are no material differences between the SGD Class Units and the USD Class Units of the Singapore Dividend Equity Fund save for the currency of denomination. However, the JPY Class Units and the RMB Class Units of the Singapore Dividend Equity Fund differ from the SGD Class Units and the USD Class Units of the Singapore Dividend Equity Fund in terms of the currency of denomination, minimum initial investment amount, minimum subsequent investment amount, Minimum Holding, minimum realisation amount, Initial Sales Charge, current annual Management Participation and distribution policy. The JPY Class Units of the Singapore Dividend Equity Fund are also only available for subscription by institutional investors (as defined in section 4A(1)(c) of the Securities and Futures Act 2001).

Additional information relating to the Nikko AM Global Dividend Equity Fund

There are no material differences between the SGD Class Units, the SGD Hedged (Acc) Class Units, the USD (Acc) Class Units, the SGD Hedged (Dist) Class Units, the USD (Dist) Class Units, the CNH Hedged (Dist) Class Units and the CNH Class Units of the Nikko AM Global Dividend Equity Fund save for (i) the currency of denomination, minimum initial investment amount and minimum subsequent investment amount; (ii) the hedging features of the SGD

Hedged (Acc) Class, the SGD Hedged (Dist) Class and the CNH Hedged (Dist) Class; (iii) the distribution policies applicable to the Classes; and (iv) the Business Day applicable to the Classes.

## VI INVESTMENT OBJECTIVES, FOCUS & APPROACH

21. The investment objectives of all the Sub-Funds (except for the Nikko AM Multi Sector Credit Fund and the Nikko AM Global Dividend Equity Fund) are to achieve medium to long term capital appreciation for the investors. The investment objective of the Nikko AM Multi Sector Credit Fund is to maximise total returns over a full market cycle by investing in credit-related debt securities globally. The investment objective of the Nikko AM Global Dividend Equity Fund is to provide a total return of capital growth and income over the medium to long term by investing in shares or securities equivalent to shares listed on stock exchanges globally in developed markets<sup>4</sup> and emerging markets<sup>5</sup>.

22. The investment focus and approach of the Nikko AM Multi Sector Credit Fund is to adopt an active strategic and tactical asset allocation process to credit-related debt securities globally. Through this asset allocation process, the Sub-Fund will gain exposure to actively selected debt securities based on both fundamental and quantitative research. The strategic asset-allocation process applies a risk-balanced approach to each of the credit sectors with the tactical overlay allowing the Sub-Fund to shift these allocations to exploit investment opportunities of different market environments.

The Sub-Fund will invest in credit-related debt securities such as emerging market debt, high-yield debt and investment-grade corporate debt. The Sub-Fund may also invest in other assets such as convertible bonds, asset-backed securities, mortgage-backed securities, debt securities of governments and their agencies and cash and cash equivalents. Depending on the market environment, the Sub-Fund has the flexibility to allocate tactically to any other credit sector not mentioned above.

The Sub-Fund will not hold credit related debt securities with a credit rating of below B- by Standard and Poor's rating agency, or equivalent (or in the case of unrated debt securities, determined by the Sub-Managers to be of an equivalent rating).

23. Overview of Investment in the China Interbank Bond Market via Northbound Trading Link under Bond Connect

Nikko AM Multi Sector Credit Fund may invest in the mainland China interbank bond markets ("**China Interbank Bond Market**") via Bond Connect (as defined and described below) and will be subject to the additional risks set out in Paragraph 33.2(j) to this Prospectus.

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China ("**Bond Connect**") established by China Foreign Exchange Trade System & National Interbank Funding Centre ("**CFETS**"), China Central 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 (such as the Managers) will be allowed to invest in the bonds circulated in the China Interbank Bond Market

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<sup>4</sup> These include but are not limited to Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States of America.

<sup>5</sup> These include but are not limited to Brazil, Chile, China, Colombia, Czech Republic, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates.

through the northbound trading of 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 an onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). 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.

24. The investment focus and approach of the Nikko AM Global Dividend Equity Fund is to invest in a diversified portfolio of dividend-producing equity investments that offer attractive and sustainable dividends from companies with relatively strong sustainable cash flows, stable growth and stable dividend payout. There will be no target industry or sector. This Sub-Fund is only suitable for investors who seek a total return of capital growth and income over the medium to long term by investing in shares or securities equivalent to shares listed globally, seek a diversified portfolio of dividend-producing equity investments and are willing and able to accept that their principal will be at risk and that the value of their investment and any derived income may fall as well as rise.
25. The investment focus of the Singapore Dividend Equity Fund will be to invest primarily in equities listed on the Singapore Exchange Securities Trading Limited that offer attractive and sustainable dividend payments. In addition, this Sub-Fund may also invest in equities listed outside of Singapore offering attractive and sustainable dividend payments. This Sub-Fund will invest more than 55% of its assets in shares of corporations (the effect of which would be that investments by this Sub-Fund in other equities such as real estate investment trusts, business trusts, exchange traded funds and collective investment schemes which are in the nature of equities would be limited by having to meet the more than 55% requirement). This Sub-Fund is only suitable for investors who seek medium to long-term capital appreciation by investing primarily in equity securities listed in Singapore and who are willing and able to accept that their principal will be at risk and that the value of their investment and any derived income may fall as well as rise.
26. For the Singapore Dividend Equity Fund, the Managers manage the portfolio by selecting Singapore listed equities which offer attractive and sustainable dividend payments with the potential for long term capital appreciation. The Managers may also invest in non-Straits Times Index (STI) component stocks as well as stocks listed outside of Singapore with these characteristics. All the stocks are selected on the basis of a mixture of top-down and bottom-up analysis.
27. The investment focus of the Horizon Singapore Fixed Income Enhanced Fund will be to invest primarily in money market and fixed income instruments in Singapore which provide income (which shall be reinvested at the present moment) and capital growth. In addition, the Horizon Singapore Fixed Income Enhanced Fund may also invest in money market and fixed income instruments outside of Singapore. This Sub-Fund is only suitable for investors who seek medium to long-term capital appreciation by investing primarily in money market and fixed income instruments in Singapore and are willing and able to accept that their principal will be at risk and that the value of their investment and any derived income may fall as well as rise.

28. For the Horizon Singapore Fixed Income Enhanced Fund, the Managers select securities on the basis of a mixture of top-down and bottom-up analysis with a focus on both the macro-economic and micro-economic factors driving the bond market. At the present moment, the income from the investments is reinvested by the Managers.
29. Each of the Sub-Funds shall comply with the investment and borrowing guidelines set out in Appendix 1 of the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority (the "**Code**"). In addition to Appendix 1 of the Code, for so long as the Singapore Dividend Equity Fund is a Qualifying CIS, the Singapore Dividend Equity Fund shall also comply with the product restrictions of Qualifying CIS set out in Sections 1, 2, 3 and 4 of Part II of the Standards of Qualifying CIS<sup>6</sup>.
- 29A. The Singapore Dividend Equity Fund is also subject to the following investment restrictions:
- (a) The Sub-Fund may not invest more than 5% of its NAV in aggregate into collective investment schemes (excluding any collective investment scheme which is listed and traded on any exchange).
  - (b) The Sub-Fund will be managed so that it will not invest more than 10% of its NAV per single issuer or counterparty in:
    - (1) equity securities;
    - (2) debt instruments; or
    - (3) derivative instruments.Further, the Sub-Fund will be managed so that the aggregate exposure to the investments referred to in sub-paragraphs (1), (2) and (3) above will not exceed 20% of its NAV per single issuer or counterparty.
  - (c) The Sub-Fund will not acquire shares in any single company if, as a result of such acquisition, the total number of shares in such company held by all collective investment schemes which are managed by the Managers would exceed 50% of the total number of all issued and outstanding shares in such company.
  - (d) The Sub-Fund will not engage in short selling.

## VIA DISTRIBUTION POLICY

- 30.1 The Managers have the absolute discretion to determine whether a distribution should be made in respect of any Sub-Fund. Any such distribution will be made in accordance with the relevant provisions of the Deed.
- 30.2 The Managers will decide whether a distribution is to be made based on various factors, including dividend and/or interest income and/or capital gains derived from the underlying investments of the relevant Sub-Fund. If income and dividends generated from the underlying investments of a Sub-Fund are insufficient to fund a distribution for that Sub-Fund, the Managers may in their discretion, with the consent of the Trustee, determine that such distributions should be paid from the capital of that Sub-Fund. Holders may elect for all (but not

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<sup>6</sup> "**Standards of Qualifying CIS**" means a set of rules and regulations as agreed (and as may be amended from time to time) amongst the ACMF Members, which governs the operation of the ASEAN CIS Framework, and published at <http://www.theacmf.org/>. "**ACMF Member**" means the securities regulator of the respective ASEAN jurisdiction, and collectively, the "**ACMF Members**".

part) of the distributions to be received for Units of any Sub-Fund to be automatically reinvested in the purchase of additional Units in that Sub-Fund.

Currently, the Managers may make distributions in accordance with the relevant distribution policies for the Classes of the Sub-Funds set out in the table below:

Sub-Fund	Class	Distribution policy
Nikko AM Multi Sector Credit Fund	SGD (Dist)	Quarterly distributions of between 4% to 6% per annum
	USD Hedged (Dist)	
Singapore Dividend Equity Fund	SGD	Monthly distributions of between 5% to 7% per annum of the NAV per Unit
	USD	
	JPY	Monthly distributions of JPY 4 per 1,000 Units
Nikko AM Global Dividend Equity Fund	SGD	Monthly distributions of 5% to 7%, per annum of the NAV per Unit
	SGD Hedged (Dist)	
	USD (Dist)	
	CNH Hedged (Dist)	
	CNH	

30.3 You should note that the Managers' intention to make monthly distributions is not guaranteed and that the Managers may review the distribution policy of each of the Classes of the Sub-Funds set out in the table above in future depending on prevailing market conditions.

30.4 For the avoidance of any doubt, the Managers currently do not intend to make any distributions to (i) Holders of the SGD Hedged (Acc) Class and the USD (Acc) Class of the Nikko AM Global Dividend Equity Fund and (ii) Holders of the SGD (Acc) Class and the USD Hedged (Acc) Class of the Nikko AM Multi Sector Credit Fund.

The dividend and/or interest income and/or capital gains derived from the investments of the Sub-Fund that are attributable to each of these Classes will be accumulated as part of the assets of the Sub-Fund that are attributable to the relevant Class instead.

## **VII COLLECTIVE INVESTMENT SCHEMES INCLUDED UNDER THE CENTRAL PROVIDENT FUND INVESTMENT SCHEME (“CPFIS”)**

31.1 The Sub-Funds are currently not included under the CPFIS.

## VIII FEES AND CHARGES

### 32.1

<b>Fees &amp; charges payable by the Holders</b>	
Initial Sales Charge <sup>7</sup>	<p>For all Classes of all Sub-Funds except for the <u>JPY Class of the Singapore Dividend Equity Fund</u></p> <p>Current: Up to 5.00%; Maximum: 5.00%</p> <p><u>For the JPY Class of the Singapore Dividend Equity Fund</u></p> <p>Current: Nil; Maximum: 5.00%</p>
Realisation Charge	Current: Nil; Maximum: 1%
Conversion Fee (for conversion of Units within the Fund*)	Current: Nil; Maximum: 1% of the value converted or S\$500, whichever is lower
Exchange Fee (for exchange of Units for units of any other Group Trust (as defined in paragraph 45 of this Prospectus))	Where the Initial Sales Charge for the Units being exchanged is less than the initial sales charge payable for the units of the Group Trust being acquired, the difference will be charged.

\*The conversion of Units is only permitted between Units of different Sub-Funds which are denominated in the same currency.

<b>Fees &amp; charges payable by the Fund</b>	
Annual Management Participation (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	Maximum: 2.0% of the relevant Class' NAV  Current:
Nikko AM Multi Sector Credit Fund	1.25% of the relevant Class' NAV (a) 40% to 100% of Annual Management Participation (b) 0% to 60% <sup>8</sup> of Annual Management Participation
Nikko AM Global Dividend Equity Fund	1.50% of the relevant Class' NAV (a) 40% to 100% of Annual Management Participation (b) 0% to 60% <sup>10</sup> of Annual Management Participation
Singapore Dividend Equity Fund	

<sup>7</sup> "**Initial Sales Charge**" means a charge upon the issue of Units of such amount as the Managers may from time to time determine generally or in relation to any specific transaction or class of transactions provided that such charge shall not exceed five per cent. of the gross investment sum. Such expression in the context of a given date shall refer to the charge or charges determined by the Managers pursuant to the Deed and applicable on that date.

<sup>8</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

<b>Fees &amp; charges payable by the Fund</b>	
Horizon Singapore Fixed Income Enhanced Fund	<p>For the SGD Class, the USD Class and the RMB Class: 1.25% of the relevant Class' NAV For the JPY Class: 0.55% of the Class' NAV</p> <p>(a) 40% to 100% of Annual Management Participation (b) 0% to 60%<sup>10</sup> of Annual Management Participation</p> <p>1.00% of the relevant Class' NAV</p> <p>(a) 40% to 100% of Annual Management Participation (b) 0% to 60%<sup>10</sup> of Annual Management Participation</p>
Annual Trustee's Fee	Currently below 0.05% of the relevant Sub-Fund's NAV; Maximum: 0.2% of the relevant Sub-Fund's NAV
Performance Fee	Nil
Guarantee Fee	Not applicable

Any other substantial fee/charge (i.e. 0.1% or more of the relevant Sub-Fund's asset value)	
(i) Nikko AM Global Dividend Equity Fund	(i) For the financial year ended 31 December 2020: Nil
(ii) Nikko AM Multi Sector Credit Fund	(ii) For the financial year ended 31 December 2020: Nil
(iii) Singapore Dividend Equity Fund (a) Transaction costs	(iii) For the financial year ended 31 December 2020: (a) 0.25%
(iv) Horizon Singapore Fixed Income Enhanced Fund	(iv) For the financial year ended 31 December 2020: Nil

The Initial Sales Charge, the Exchange Fee and the Conversion Fee where applicable, will be retained by or paid to the approved distributors of the Managers and/or the Managers for their own benefit or will be shared between the approved distributors and the Managers. Any rounding differences due to the adjustment in the calculation of the Issue Price and Realisation Price will be retained by the relevant Sub-Fund. Any commission, remuneration or other sum

payable to the approved distributors in respect of the issue or sale of any Units shall not be added to the price of such Units but will be paid by the Managers. The approved distributors may also charge additional fees not listed in this Prospectus. You should therefore check with the approved distributors before subscribing for Units.

You should note that the fees and charges applicable to each Sub-Fund (including fees based on the NAV of the Sub-Fund) will be based on the NAV before Swing Pricing adjustment (if any) is applied. Please refer to paragraph 64 of this Prospectus for further details.

32.2 The fees of the Sub-Managers will be borne by the Managers. The fees charged by NAM Americas to carry out global equities trading for the Nikko AM Global Dividend Equity Fund will not be paid out of the assets of the Nikko AM Global Dividend Equity Fund.

32.3 In accordance with the Standards of Qualifying CIS and for so long as the Singapore Dividend Equity Fund is a Qualifying CIS, no performance fee will be charged in respect of this Sub-Fund. For the avoidance of any doubt, no performance fee is currently charged in respect of any of the Sub-Funds.

## **IX RISKS**

33.1 The general risks of investing in the Sub-Funds are as follows:

- (a) while the Managers believe that each Sub-Fund offers potential for capital appreciation, there is no assurance that this objective will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision; and
- (b) you should be aware that the price of Units can go down as well as up and that past performance of a Sub-Fund is not necessarily a guide to the future performance of that Sub-Fund. You may not get back your original investment. Investment in the Sub-Funds is designed to produce returns over the long term and is not suitable for short term speculation.

33.2 The risks specific to investing in the Sub-Funds are as follows:

(a) **Market Risk**

The price of the securities comprised in the portfolio of each Sub-Fund and its Units, and the income from them, may be influenced by political and economic conditions, changes in interest rates, the earnings of the corporations whose securities are comprised in the portfolio, and the market's perception of the securities.

(b) **Foreign Currency Risk**

For the Nikko AM Multi Sector Credit Fund, its investments are denominated in USD, Euro and Pound Sterling. Fluctuations of the exchange rate of these currencies against the currency of denomination of each of the Classes of the Sub-Fund may affect the value of the Units in the relevant Class. The Classes may therefore be exposed to currency risk.

For the Nikko AM Global Dividend Equity Fund, its investments are denominated in various currencies. Fluctuations of the exchange rates of these currencies against the currency of denomination of each of the Classes of the Sub-Fund may affect the value of the Units of the relevant Class. The Classes may therefore be exposed to currency risk. However, for the SGD Hedged (Acc) Class Units, the SGD Hedged (Dist) Class Units and the CNH Hedged (Dist) Class Units, the Managers intend to hedge the



currency exposure of the assets of the Sub-Fund that are attributable to each of these Classes to the relevant currency in which they are each denominated using currency forwards, against the currency denomination of the Sub-Fund. The hedging of the currency exposure will be conducted on a monthly basis. Therefore, you should note that the NAV per Unit of each of the SGD Hedged (Acc) Class, the SGD Hedged (Dist) Class and the CNH Hedged (Dist) Class will take into account any gains or losses arising from the use of the currency forwards in respect of the SGD Hedged (Acc) Class, the SGD Hedged (Dist) Class and the CNH Hedged (Dist) Class respectively.

Save for the SGD Hedged (Acc) Class Units, the SGD Hedged (Dist) Class Units and the CNH Hedged (Dist) Class Units of the Nikko AM Global Dividend Equity Fund, the Managers do not actively hedge the foreign currency exposure of investments in any of the Sub-Funds or Classes and therefore, investors in the relevant Sub-Funds or Classes will be exposed to exchange rate risks.

(c) Liquidity Risk

The extent of market liquidity depends on the size and state of the markets and therefore affects the Sub-Funds' ability to acquire or dispose of assets at the price and time they so desire. Securities listed on the smaller emerging markets are generally less liquid in comparison to those listed on more developed markets and may therefore affect the relevant Sub-Fund's ability to acquire or dispose of securities at the price and time desired. There may also 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.

In addition, the Sub-Funds are not listed on any stock exchange and there is no ready secondary market for the Units in the Sub-Funds. Holders can only redeem their Units by completing a Realisation Request and forwarding the same to the Managers through their approved distributors. If there is a surge in realisations at any particular time, the Managers may impose a gate on realisations. If that happens, realisation of Units and/or the payment of realisation proceeds may be delayed. In addition, Holders may not realise their Units during any period when realisation is suspended.

(d) Emerging Market Risk

Investments in emerging markets securities are generally more volatile than those of developed countries, with the result that the Units may be subject to greater price volatility.

Some emerging markets do not have well-developed or consolidated bodies of securities laws and regulatory frameworks. There may be less public information on companies listed on such markets as compared to other stock markets. The auditing and financial reporting methods used in some emerging markets may differ from internationally recognised standards, and information on the accounts of some companies listed on such markets may not be an accurate reflection of their financial strength.

You would also have to take into account that trading volume in emerging markets may be substantially less than in the world's leading stock markets and may have to be conducted at unfavourable prices. Securities of companies domiciled in emerging markets are less liquid and more volatile than those domiciled in more developed stock markets and this may result in fluctuations in the price of the Units. Emerging markets

may not have fully developed custodian and settlement services and therefore investments in such markets are subject to a greater degree of risk.

There may also 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.

(e) Equity Risk

The Sub-Funds may invest in stocks and other equity securities, which are subject to market risks and are in general more volatile than investment-grade fixed income securities. Units in the Sub-Funds investing in equities may therefore be subject to greater price volatility.

(f) Country Specific Risk

The Sub-Funds may invest in securities of a limited number of countries. Where a Sub-Fund invests in a few, select countries, it will be exposed to fluctuations in the economies of these countries, and the market, currency, political, social environment and other risks related specifically to these countries, which may affect the market price of its investments in these countries. Exposure to a limited number of countries also increases the potential volatility of the Sub-Fund due to the increased concentration risk as they are less diversified compared to exposure to specific regional or global markets.

(g) Interest Rate Risk and Credit Risk

Investments in debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, and are subject to adverse changes in general economic conditions, the financial condition of the issuer, or both, or an unanticipated rise in interest rates, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.

(h) Income distribution

You should note that income of certain Sub-Funds (if any) may be distributed to Holders at the absolute discretion of the Managers. Sources of income for distribution may include dividends and/or interest income and/or capital gains derived from the investments of the relevant Sub-Fund. Such dividends and/or interest income may be adversely affected by events such as but not limited to companies suffering unexpected losses, having lower than expected dividends and adverse exchange rate fluctuations. In addition to distributions to Holders out of distributable income and/or capital gains, the Managers may at their discretion, with the consent of the Trustee, make capital distributions to Holders at such time as they deem fit in accordance with the provisions of the Deed. Where distributions are paid out of capital of the relevant Sub-Fund or Class, the NAV of the relevant Sub-Fund or Class will be reduced and this will be reflected in the Realisation Price of the Units of the relevant Sub-Fund or Class. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

(i) Risk Associated with the Investment Strategy of the Sub-Funds

For the Nikko AM Multi Sector Credit Fund, the Managers' ability to make any distribution payout in respect of the SGD (Dist) Class and the USD Hedged (Dist) Class largely depends on the successful execution of the investment strategy of the Sub-Fund.

For the Nikko AM Global Dividend Equity Fund, the Managers' ability to make any distribution payout in respect of the SGD Class, the SGD Hedged (Dist) Class, the USD (Dist) Class, the CNH Hedged (Dist) Class and the CNH Class largely depends on the successful execution of the investment strategy of the Sub-Fund. The distributions are particularly sensitive to the dividend yield and capital gains/losses from the Sub-Fund's investments in equities.

For the Singapore Dividend Equity Fund, the Managers' ability to make any distribution payout largely depends on the successful execution of the investment strategy of the Sub-Fund. The distributions are particularly sensitive to the dividend yield and capital gains/losses from the Sub-Fund's investments in equities.

For the Horizon Singapore Fixed Income Enhanced Fund, the primary risks associated with the Sub-Fund's investment strategy are interest rate risk and credit risk.

(j) Risks Specific to investing in into the mainland China onshore market

In addition to the risks associated with the Chinese market and risks related to investments in RMB, investments via Bond Connect are subject to additional risks.

*Market volatility and liquidity risk*

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 volatility and liquidity 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 realisation costs and may even suffer losses when selling such investments.

*Settlement, clearing and custody risk*

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. A counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction.

*Operational risk*

For investments via 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.

*Regulatory risk*

Investing in the China Interbank Bond Market via 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 their respective investment objectives will be negatively affected.

*Mainland tax considerations*

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 Bond Connect. Hence the Sub-Fund's tax liabilities as a result of trading in the China Interbank Bond Market via Bond Connect are uncertain.

(k) Financial Derivatives Risk of the Sub-Funds

- (i) The Managers may in their absolute discretion, invest in FDIs including, but not limited to, options on securities, forward contracts, over-the counter options, interest rate swaps and swaptions, credit default swaps and swaptions, index futures and options, futures or options of any kind of financial instrument or structured notes such as credit-linked notes, equity-linked notes and index-linked notes for the purposes of hedging, efficient portfolio management and/or optimising returns. The Managers may make use of financial derivatives as allowed in the Code and (in the case of the Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) in Part II of the Standards of Qualifying CIS. The Managers may invest in FDIs for the purposes of hedging existing positions in a portfolio, where there is a strong correlation to the underlying investments or tactical asset allocation or efficient portfolio management. FDIs shall not be used to gear the overall portfolio. Each Sub-Fund may net its OTC financial derivative positions.
- (ii) Where FDIs are used by any Sub-Fund, the global exposure of the relevant Sub-Fund to financial derivatives or embedded financial derivatives will not exceed (in the case of all the Sub-Funds except for the Singapore Dividend Equity Fund) 100% and (in the case of the Singapore Dividend Equity Fund) 20% of the NAV of that Sub-Fund at all times. Such exposure would be calculated using the Commitment Approach as described in Appendix 1 – Investment: Core Requirements of the Code and (in the case of the Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) in the Appendix to the Standards of Qualifying CIS.
- (iii) While the prudent and judicious use of derivatives by investment professionals can be beneficial, derivatives involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. The Managers have the necessary expertise and controls for investments in derivatives and have in place systems to monitor the derivative positions for the Sub-Funds, if any.

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

**It is possible that the relevant Sub-Fund's NAV may be subject to volatility due to that Sub-Fund's usage or investment in FDIs.**

- (iv) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that

they have the necessary expertise to control and manage the risks relating to the use of financial derivatives.

**The above is not an exhaustive list of the risks which you should consider before investing in the Sub-Funds. You should be aware that an investment in any Sub-Fund may be exposed to other risks of an exceptional nature from time to time.**

## **X SUBSCRIPTION OF UNITS**

### **34.1 How to purchase Units**

(a) Cash subscriptions

You may apply to subscribe for Units by submitting a completed application form, together with such other documents as may be required by, and the subscription monies in full to, the Managers through their approved distributor(s).

(b) Subscriptions through use of SRS monies

Subject to the applicable terms and conditions imposed by the relevant SRS Account operator and any relevant competent authority, if you wish to subscribe for Units with your SRS monies, you will have to give a written authorisation to the relevant SRS Account operator for monies to be withdrawn from your SRS Account to pay for the subscription of Units. Currently, only the SGD Classes of the Sub-Funds are available for subscription using SRS monies.

(c) Institutional investors

In respect of institutional investors, an application form may also be obtained directly from the Managers and, once duly completed, forwarded to the Managers, together with the subscription monies in respect of the application for Units.

### **34.2 Applications through an Automated Teller Machine (“ATM”)**

When you apply for Units through an ATM of the Relevant Participating Bank, the making of the application shall be treated as:

- (a) your confirmation that you have read a copy and understood the contents of this Prospectus; and
- (b) your permission to the Relevant Participating Bank to disclose relevant particulars of your account to the Managers, the Trustee, relevant authorities and any other person to whom the Relevant Participating Bank or Relevant Participating Distributor (as defined in paragraph 34.3) deems it necessary to disclose information about your bank account for the purposes of paragraphs 34.2 and 37.3 (the **“Relevant Parties”**).

Neither the Managers nor the Trustee shall be liable to you for the consequences of any such disclosure of information.

During any period when the realisation of Units is suspended pursuant to paragraph 48.1, the application for Units through the ATM will also be suspended. Any charges to be imposed by the Relevant Participating Bank in connection with any application for Units through the ATM will be borne by you and such charges shall not be taken out of the Deposited Property<sup>9</sup> or form part of the Initial Sales Charge. The Managers will provide you with hard copies of this

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<sup>9</sup> **“Deposited Property”** means all the assets for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Income Account (as defined in the Deed) which the Managers have determined is to be distributed to the Holders of the relevant Sub-Fund or any Class of that Sub-Fund pursuant to Clause 15(B) of the Deed.

Prospectus, the Deed and any supplemental deed for the time being in force upon your request. However, the Managers may levy a charge for providing you with a copy of the Deed or supplemental deed.

### 34.3 Applications through the internet

The Relevant Participating Distributors (as defined below) may offer Units through the internet. By making an electronic online application for the subscription of Units through the website of any distributor in Singapore which the Managers may, after giving notice to the Trustee, appoint for the purpose of this paragraph (the “**Relevant Participating Distributor**”) (as the case may be), or by an application form printed from such a website, you confirm:

- (a) you have read a copy and understand the contents of this Prospectus;
- (b) you are making the application for the subscription of Units while being present in Singapore; and
- (c) your permission to the Relevant Participating Distributor to disclose relevant particulars of your account to the Relevant Parties.

Neither the Managers nor the Trustee shall be liable to you for the consequences of any such disclosure of information.

During any period when the realisation of Units is suspended pursuant to paragraph 48.1, the application for subscription of Units through the internet will also be suspended. Any charges to be imposed by the Managers or the Relevant Participating Distributor in connection with any application for the subscription or realisation of Units through the internet will be borne by you and such charges shall not be taken out of the Deposited Property or form part of the Initial Sales Charge. The Managers will provide you with hardcopies of this Prospectus, the Deed and any supplemental deed for the time being in force upon your request. However, the Managers may levy a charge for providing you with a copy of the Deed or supplemental deed.

- 34.4 Notwithstanding receipt of the application forms, the Managers shall retain the absolute discretion to accept or reject any application for Units in accordance with the provisions of the Deed. If an application for Units is rejected by the Managers, the application monies shall be refunded (without interest) to you, the relevant Approved Bank / Relevant Participating Bank or the SRS Account operator (as the case may be) within a reasonable time in such manner as the Managers or the relevant approved distributor shall determine. No certificates will be issued by the Managers.

### 34.5 Minimum Initial Investment and Minimum Subsequent Investment

	Class	Minimum Initial Investment*	Minimum Subsequent Investment*
Nikko AM Multi Sector Credit Fund	SGD (Acc)	S\$1,000	S\$100
	SGD (Dist)	S\$1,000	S\$100
	USD Hedged (Acc)	US\$ 1,000	US\$100
	USD Hedged (Dist)	US\$ 1,000	US\$100
	RMB	RMB 5,000	RMB 500
	SGD	S\$1,000	S\$100
	SGD Hedged (Acc)		

Nikko AM Global Dividend Equity Fund	SGD Hedged (Dist)		
	USD (Acc)	US\$1,000	US\$100
	USD (Dist)		
	CNH Hedged (Dist)	RMB 5,000	RMB 500
	CNH		
Singapore Dividend Equity Fund	SGD	S\$1,000	S\$100
	USD	US\$1,000	US\$100
	JPY	JPY 1,000,000	No minimum
	RMB	RMB 5,000	RMB 500
Horizon Singapore Fixed Income Enhanced Fund	SGD	S\$1,000	S\$100
	USD	US\$ 1,000	US\$100
	RMB	RMB 5,000	RMB 500

\* or such other amount as the Managers may determine from time to time upon giving prior notice to the Trustee and as permitted by the relevant authorities

- 34.6 If the Managers decide to establish a RSP for any Class (other than those described in paragraph 39 as being available for subscription by RSP), the Managers may change the minimum initial investment for that Class (as set out in paragraph 34.5) to such amount as the Managers may determine.
- 34.7 The initial offer period for the SGD Class of the Nikko AM Global Dividend Equity Fund will be for such period or at such time as the Managers may decide from time to time upon prior notification to the Trustee and as at the date of registration of this Prospectus, the initial offer period is expected to be within the next 6 to 12 months. During the initial offer period, the SGD Class Units will be offered at the initial issue price of S\$1.000 per Unit.
- 34.8 The initial offer period for the USD (Dist) Class of the Nikko AM Global Dividend Equity Fund will be for such period or at such time as the Managers may decide from time to time upon prior notification to the Trustee and as at the date of registration of this Prospectus, the initial offer period is expected to be within the next 6 to 12 months. During the initial offer period, the USD (Dist) Class Units will be offered at the initial issue price of US\$1.000 per Unit.
- 34.9 The initial offer period for the RMB Class of each Sub-Fund (except for the Nikko AM Global Dividend Equity Fund) and the CNH Class of the Nikko AM Global Dividend Equity Fund will be for such period or at such time as the Managers may decide from time to time upon prior notification to the Trustee and as at the date of registration of this Prospectus, each such initial offer period is expected to be within the next 6 to 12 months. During the initial offer period, the RMB Class Units of each such Sub-Fund and the CNH Class Units of the Nikko AM Global Dividend Equity Fund will be offered at the initial issue price of RMB 5.000 per Unit.
- 34.10 The Managers reserve the right not to proceed with the launch of the SGD Class of the Nikko AM Global Dividend Equity Fund if:
- (i) the capital raised for the SGD Class of the Nikko AM Global Dividend Equity Fund as at the close of its initial offer period is less than S\$5,000,000 or its equivalent; or

- (ii) 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 SGD Class of the Nikko AM Global Dividend Equity Fund.

In such event, the Managers may at their discretion declare the SGD Class of the Nikko AM Global Dividend Equity Fund to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the initial offer period for the SGD Class of the Nikko AM Global Dividend Equity Fund.

34.11 The Managers reserve the right not to proceed with the launch of the USD (Dist) Class of the Nikko AM Global Dividend Equity Fund if:

- (i) the capital raised for the USD (Dist) Class of the Nikko AM Global Dividend Equity Fund as at the close of its initial offer period is less than S\$5,000,000 or its equivalent; or
- (ii) 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 USD (Dist) Class of the Nikko AM Global Dividend Equity Fund.

In such event, the Managers may at their discretion declare the USD (Dist) Class of the Nikko AM Global Dividend Equity Fund to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the initial offer period for the USD (Dist) Class of the Nikko AM Global Dividend Equity Fund.

34.12 The Managers reserve the right not to proceed with the launch of the RMB Class of any Sub-Fund (except for the Nikko AM Global Dividend Equity Fund) or the CNH Class of the Nikko AM Global Dividend Equity Fund if:

- (i) the capital raised for the relevant RMB Class or the CNH Class as at the close of its initial offer period is less than SGD 10 million or its equivalent; or
- (ii) 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 relevant RMB Class or the CNH Class.

In such event, the Managers may at their discretion declare the relevant RMB Class or the CNH Class to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the initial offer period for the relevant RMB Class or the CNH Class.

34.13 Each of the USD Hedged (Acc) Class of the Nikko AM Multi Sector Credit Fund and the USD Class of the Horizon Singapore Fixed Income Enhanced Fund has been fully redeemed. In the future, Units of each of these Classes may be offered for a period (the "**Offer Period**") at the issue price of US\$1.000 per Unit. After the Offer Period, the issue price of Units of that Class will be calculated based on forward pricing and determined based on the Value of the Units of such Class as set out in paragraph 35.1 below.

35.1 The Issue Price of the Units of a Sub-Fund or Class is calculated based on forward pricing and is determined based on the Value of the Units of the Sub-Fund or Class at 7 a.m. Singapore



time on the Business Day<sup>10</sup> immediately following the relevant Dealing Day<sup>11</sup> on which the application for Units of the Sub-Fund or Class is received. The dealing deadline for each Sub-Fund is, in relation to any Dealing Day, currently 5 p.m. on the said Dealing Day but this may be changed subsequently to any other time of the day by the Managers with the approval of the Trustee (the “**Dealing Deadline**”). This means that if an application is received and accepted by the Managers through their approved distributor(s) by the Dealing Deadline on the Dealing Day, the price will be based on the Value of the Sub-Fund or Class for that Dealing Day. If an application is received and accepted by the Managers through their approved distributor(s) after the Dealing Deadline on that Dealing Day, it shall be deemed to be received and accepted by the Managers through their approved distributor(s) only on the immediately following Dealing Day. This Issue Price will be determined only on the Business Day following the Dealing Day.

- 35.2 The following is an illustration of the number of Units that you will receive based on an investment amount of \$1,000 and a notional Issue Price of \$1.000 (the actual Issue Price of the Units of a Class of a Sub-Fund will fluctuate according to the Value of the relevant Class and may be affected by Swing Pricing as described in paragraph 64):

<b>\$1,000</b>	<b>- \$50</b>	<b>= \$950</b>	<b>÷ \$1.000**</b>	<b>= 950 Units</b>	
<b>Gross Investment Sum</b>	<b>Initial Sales Charge* (5.00%)</b>	<b>Net Investment Sum</b>	<b>Issue Price (i.e. NAV per Unit)</b>	<b>Number of Units</b>	
<p><b>* The Initial Sales Charge currently payable is up to 5.00% in respect of each of the Classes of the Sub-Funds except for the JPY Class of the Singapore Dividend Equity Fund and nil in respect of the JPY Class of the Singapore Dividend Equity Fund.</b></p> <p><b>**The Issue Price for each of the Classes except for the JPY Class of the Singapore Dividend Equity Fund is currently rounded to the nearest three decimal places and for the JPY Class of the Singapore Dividend Equity Fund is currently rounded to the nearest four decimal places. N.B.: All numerical figures used for the purpose of this illustration are hypothetical.</b></p>					

- 35.3 The Managers may from time to time give a discount or discounts on the Initial Sales Charge payable by prospective investors in accordance with the provisions of the Deed. Such discounts would be deducted from the amount of the Initial Sales Charge payable by the investors. The Managers reserve the right to differentiate between applicants as to the quantum of discount or discounts given to them.
36. If your application is successful, a confirmation of your purchase will be sent to you within 7 Business Days of the Managers’ receipt of your application.

<sup>10</sup> “**Business Day**” (in relation to any of the Sub-Funds or Classes except for the CNH Hedged (Dist) Class of the Nikko AM Global Dividend Equity Fund and the Nikko AM Multi Sector Credit Fund) means any day (other than a Saturday or a Sunday) on which commercial banks in Singapore and the Singapore Exchange Securities Trading Limited are open for business and (in relation to the CNH Hedged (Dist) Class of the Nikko AM Global Dividend Equity Fund) means any day (other than a Saturday or a Sunday) on which commercial banks in Singapore and Hong Kong and the Singapore Exchange Securities Trading Limited are open for business and (in relation to the Nikko AM Multi Sector Credit Fund) means any day (other than a Saturday or a Sunday) on which commercial banks in Singapore, the United Kingdom and the United States and the Singapore Exchange Securities Trading Limited are open for business.

<sup>11</sup> “**Dealing Day**” in relation to the subscription and realisation of Units means a Business Day or such other day as provided in the Deed.

- 37.1 The Managers shall have the exclusive right to effect the creation and issue of Units for the account of any Sub-Fund or Class and the acceptance and non-acceptance of any initial or subsequent application for Units in any Sub-Fund or Class shall be at the absolute discretion of the Managers, acting in consultation with the Trustee. However, a new investor<sup>12</sup> may cancel his subscription of Units by sending (by post or by hand) a cancellation request to the Managers through the approved distributor(s) from whom he purchased his Units within 7 calendar days of the date on which he signed the subscription agreement or such other longer period as may be agreed between the Managers and the Trustee or as the Authority may prescribe (the "**Cancellation Period**"). A cancellation request form is included with the application form for the subscription of Units, or may be obtained from the approved distributors. Where the last day of the Cancellation Period falls on a Sunday or a public holiday, the Cancellation Period is deemed to be extended to the next calendar day, not being a Sunday or public holiday. The cancellation proceeds will normally be paid within 7 Business Days after the relevant Dealing Day on which the cancellation request is received.
- 37.2 The cancellation proceeds payable for the cancellation of a subscription of Units under paragraph 37.1 above will be determined as the lower of:
- (a) the Market Value<sup>13</sup>; or
  - (b) the Original Subscription Amount<sup>14</sup>.
- Any excess in the Market Value over the Original Subscription Amount, or in the Original Subscription Amount over the Market Value (as the case may be), will be retained by the relevant Sub-Fund. The Managers are also entitled to deduct from the cancellation proceeds any administrative expenses incurred in cancelling the subscription so long as such expenses are reasonably related to the original purchase and subsequent cancellation of the new investor's Units. A new investor is only entitled to receive his cancellation proceeds arising from the cancellation of his subscription of Units in the same currency as that in which such Units are denominated. Any Initial Sales Charge paid by the investor will be refunded to him. However, he will have to take the risk for any price changes in the NAV of the relevant Sub-Fund or Class since he purchased the Units.
38. Under the provisions of the Deed, the Managers may terminate the Fund in their absolute discretion by notice in writing if the aggregate Value of the Deposited Property of the Fund is less than S\$30,000,000.

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<sup>12</sup> A "**new investor**" is an investor who:

- (i) is an individual;
- (ii) is not an existing Holder who is purporting to cancel a subsequent subscription made after the Cancellation Period applicable to his first subscription;
- (iii) is not an existing Holder participating in a Regular Savings Plan of the relevant Sub-Fund and effecting a second or any subsequent payment towards the Regular Savings Plan;
- (iv) has not previously switched, converted or exchanged his units in any other fund managed by the Managers to Units in the relevant Sub-Fund during the cancellation period applicable to the first-mentioned fund; and
- (v) has not previously converted his Units in any Sub-Fund ("**original Sub-Fund**") to Units in the relevant Sub-Fund during the cancellation period applicable to the original Sub-Fund.

<sup>13</sup> "**Market Value**" in relation to Units the subscription of which is being cancelled by a new investor means the value of such Units on the relevant Dealing Day calculated as the aggregate of (a) the total value of such Units based on the Realisation Price on such Dealing Day but without deducting the Realisation Charge (if any) and (b) the total Initial Sales Charge paid for such Units.

<sup>14</sup> "**Original Subscription Amount**" in relation to Units the subscription of which is being cancelled by a new investor means the total amount (including the total Initial Sales Charge) paid by the new investor for the subscription of those Units.

## XI REGULAR SAVINGS PLAN (RSP)

39. The approved distributors of the Managers may make available a Regular Savings Plan (“**RSP**”) for the Classes of Sub-Funds set out in the table below. To participate in a RSP, you must first invest the minimum initial investment of S\$1,000 in the relevant Class. The minimum monthly investment for each Class under the RSP is S\$100. The monthly contribution for the RSP will be deducted from your bank account or SRS Account (where applicable) on the Deduction Date set out in the table below. You should note that no RSP is presently available for the subscription of Units in any of the other Classes of the Sub-Funds.

Sub-Fund	Class	Deduction Date	Allotment of Units
Nikko AM Multi Sector Credit Fund	SGD (Acc) SGD (Dist)	14th of each month (or the next Business Day if that day is not a Business Day)*	**Normally within 2 Business Days after the date on which the monthly contribution is deducted
Nikko AM Global Dividend Equity Fund	SGD SGD Hedged (Acc) SGD Hedged (Dist)	14th of each month (or the next Business Day if that day is not a Business Day)*	**Normally within 2 Business Days after the date on which the monthly contribution is deducted
Singapore Dividend Equity Fund	SGD	14th of each month (or the next Business Day if that day is not a Business Day)*	**Normally within 2 Business Days after the date on which the monthly contribution is deducted
Horizon Singapore Fixed Income Enhanced Fund	SGD	14th of each month (or the next Business Day if that day is not a Business Day)*	**Normally within 2 Business Days after the date on which the monthly contribution is deducted

\* or such other date as determined by the Managers from time to time

\*\* This may be exceeded in the case of Units purchased through the Managers' approved distributors or where Units are purchased using SRS monies.

40. You may cease your participation in the RSP, without suffering any penalty, by giving the approved distributor from whom you purchased your Units 30 days' prior notice in writing but the Managers reserve the right to compulsorily realise your Units if your holdings are below the Minimum Holding for the relevant Sub-Fund or Class.

## XII REALISATION OF UNITS

### 41. How to sell Units

41.1 A Holder may redeem Units by completing the Realisation Request (or such other form as the Managers may approve from time to time) and forwarding the same to the Managers through the approved distributor(s) from whom he purchased the Units. Institutional investors who had purchased their Units directly from the Managers may redeem their Units by completing the Realisation Request and forwarding the same to the Managers.

A Holder may also make an electronic online application for the realisation of Units on or through the website of the Relevant Participating Distributor or on an application form printed from such website.

41.2 The net realisation proceeds are calculated by multiplying the number of Units of the Sub-Fund or Class to be realised by the Realisation Price of the Units of such Sub-Fund or Class. The Realisation Price is calculated based on forward pricing and is determined based on the Value of the Units of such Sub-Fund or Class at 7 a.m. Singapore time on the Business Day immediately following the relevant Dealing Day on which the Realisation Request is received. This means that if an application is received and accepted by the Managers through their approved distributor(s) by the Dealing Deadline on the Dealing Day, the price will be based on the Value of the Sub-Fund or Class for that Dealing Day. If an application is received and accepted by the Managers through their approved distributor(s) after the Dealing Deadline on that Dealing Day, it shall be deemed to be received and accepted by the Managers through their approved distributor(s) only on the immediately following Dealing Day. This Realisation Price will be determined only on the Business Day following the Dealing Day.

### 42. Minimum Holding and minimum realisation amount

Sub-Fund	Minimum Holding in relation to each Class of the Sub-Fund	Minimum realisation amount
Nikko AM Multi Sector Credit Fund	500 Units (or such other number of Units as the Managers may from time to time determine upon giving prior notice to the Trustee in accordance with the Deed)	500 Units for RMB or CNH Classes. Nil for other Classes
Nikko AM Global Dividend Equity Fund		
Singapore Dividend Equity Fund***		
Horizon Singapore Fixed Income Enhanced Fund		

\*\*\*There is currently no Minimum Holding for the JPY Class of the Singapore Dividend Equity Fund.

43.1 The following is an illustration of the realisation proceeds that a Holder will receive based on the realisation of 1,000 Units and a notional Realisation Price of \$1.050 (the actual Realisation

Price of the Units of a Class will fluctuate according to the Value of the relevant Class of a Sub-Fund and may be affected by Swing Pricing as described in paragraph 64):

<b>1000</b>	<b>x</b>	<b>\$1.050</b>	<b>=</b>	<b>\$1,050</b>
<b>Units to be Realised</b>		<b>Realisation Price (i.e. NAV per Unit)*</b>		<b>Realisation Proceeds</b>
<p><b>* The Realisation Price for each of the Classes except the JPY Class of the Singapore Dividend Equity Fund is currently rounded to the nearest three decimal places and for the JPY Class of the Singapore Dividend Equity Fund is currently rounded to the nearest four decimal places.</b></p>				

43.2 The Realisation Price excludes the Realisation Charge. Currently, there is no Realisation Charge payable, but under the provisions of the Deed, the Managers may impose a Realisation Charge of up to 1%.

44. Payment will be made within 7 Business Days after the relevant Dealing Day on which the Realisation Request is received subject to the provisions of the Deed.

For Units purchased with cash, the net realisation proceeds shall be paid to the Holder. For Units purchased with CPF monies (where applicable), the net realisation proceeds shall be paid to the Holder's CPF agent bank or credited to his CPF special account, as the case may be. For Units purchased with SRS monies, the net realisation proceeds shall be paid to the relevant bank for credit of the Holder's SRS Account or otherwise in accordance with the provisions of any applicable laws, regulations or guidelines.

### **XIII EXCHANGE OF UNITS WITHIN GROUP TRUST**

45. The Managers may, at their discretion and on such terms and conditions as they may impose (including the levying of fees or charges), on the application of a Holder, effect the exchange of Units of any Sub-Fund for units of any other Group Trust (referred to as "units") and on notification by the managers of a Group Trust of an application by the holder of units in that Group Trust, exchange such units for Units. The following provisions will apply to such an exchange:

- (a) the exchange of Units for units is exercised by a Holder giving to the Managers through the approved distributor(s) from whom he purchased the Units a notice in such form as the approved distributor may from time to time require and accompanied by a duly completed and executed application form for the subscription of units in the relevant Group Trust. Institutional investors who had purchased their Units directly from the Managers may exchange their Units by giving to the Managers a notice in such form as the Managers may from time to time require and accompanied by a duly completed and executed application form for the subscription of units in the relevant Group Trust;
- (b) unless permitted otherwise by the Managers at their absolute discretion, no exchange is permitted between Units of any Sub-Fund and units of any Group Trust which are denominated in different currencies;
- (c) the exchange of Units for units specified in the relevant notice (the "**Exchange Notice**") will be made on the Common Exchange Dealing Day on which the Exchange Notice is received by the Managers through their approved distributor(s) up to 5.00 p.m. Singapore time on such Common Exchange Dealing Day. If an Exchange Notice is received after 5.00 p.m. Singapore time on a Common Exchange Dealing Day or on a

day that is not a Common Exchange Dealing Day, the Exchange Notice will be treated as having been received before 5.00 p.m. Singapore time on the next Common Exchange Dealing Day. For this purpose, "**Common Exchange Dealing Day**" is a day which is both a Dealing Day in relation to Units and a dealing day (as defined in the relevant trust deed) in relation to units of the Group Trust;

- (d) no Units will be exchanged during any period when the right of Holders to require the realisation of Units is suspended pursuant to the suspension provisions set out in section XVI of this Prospectus or when the issue of units in the Group Trust is suspended pursuant to the suspension provisions set out in the trust deed of the relevant Group Trust;
- (e) a Holder is not entitled, without the consent of the Managers, to withdraw an Exchange Notice;
- (f) any exchange of Units for units will be effected subject to any requirements or restrictions applicable to the realisation of Units, the issue of units, any applicable Minimum Holding requirements, any applicable minimum initial investment sum or minimum subsequent investment sum;
- (g) CPF Units may only be exchanged or converted to units of a Group Trust that may be purchased with CPF monies;
- (h) each Unit to be exchanged shall be valued at not less than the Realisation Price per Unit and each Unit to be issued shall be valued at not more than the Issue Price per Unit;
- (i) an exchange of Units for units will be effected by the Holder realising his Units. The net proceeds of this realisation will then be utilised to subscribe for units of the relevant Group Trust at the prevailing issue price of the units of the relevant Group Trust;
- (j) an exchange of units for Units will be effected by the managers of that Group Trust realising the units of that Group Trust and paying the net proceeds of the realised units to the Managers. The Managers will then issue Units at the prevailing Issue Price;
- (k) where the Initial Sales Charge paid for the Units being exchanged (the "**First Initial Sales Charge**") is less than the initial sales charge payable for the units being acquired (the "**Second Initial Sales Charge**"), the Managers shall be entitled to charge for the difference, but where the Second Initial Sales Charge is less than the First Initial Sales Charge, the Managers shall be entitled to retain the difference;
- (l) the Trustee shall have no responsibility or liability to ensure that the provisions of the trust deed constituting the Group Trust relating to the issue, realisation or exchange of units are complied with; and
- (m) the Managers may, at their discretion, reject any Exchange Notice.

For the purpose of this paragraph 45, "**Group Trust**" means a unit trust scheme the managers of which:

- (i) are the Managers or a corporation under their control or under common control with them or at least 50 per cent of the share capital of which is held by a corporation which is a shareholder of the Managers; and
- (ii) approve the terms of any exchange which may be made pursuant to Clause 12(JA) of the Deed.

#### **XIV CONVERSION OF UNITS**

46. Subject to such restrictions as may be stipulated in this Prospectus or the Deed, a Holder of Units of a Sub-Fund (the "**Original Sub-Fund**") shall have the right from time to time to convert all or any of the Units of the Original Sub-Fund held by him into Units of another Sub-Fund (the "**New Sub-Fund**") subject to the following:

- (a) the right of conversion is exercisable by such Holder giving to the Managers through the approved distributor(s) from whom he purchased the Units of the Original Sub-Fund a Conversion Notice. Institutional investors who had purchased their Units of the Original Sub-Fund directly from the Managers may exercise the right of conversion by giving to the Managers a Conversion Notice;
- (b) no conversion of Units may be made which would result in such Holder holding less than the Minimum Holding of either the Original Sub-Fund or the New Sub-Fund;
- (c) a Holder shall not have the right to convert Units of a Sub-Fund denominated in one currency held by him to Units of another Sub-Fund denominated in a different currency;
- (d) the conversion of Units of the Original Sub-Fund shall be made on the Common Dealing Day on which the Conversion Notice is received by the Managers through their approved distributor(s) or (if not received on a Common Dealing Day) on the next following Common Dealing Day. For this purpose, a "**Common Dealing Day**" is a day which is both a Dealing Day in relation to Units of the Original Sub-Fund and a Dealing Day in relation to Units of the New Sub-Fund;
- (e) no Units shall be converted during any period when the right of Holders to require the realisation of Units is suspended pursuant to Clause 12(F)(ii) of the Deed or on any Common Dealing Day on which the number of Units of the Original Sub-Fund that can be realised by any Holder is limited pursuant to Clause 12(I) of the Deed; and
- (f) the Managers are entitled to impose a Conversion Fee upon the sum available for payment for Units of the new Sub-Fund to be issued. The Conversion Fee is to be of an amount not exceeding one per cent. (1%) of such sum or S\$500, whichever is lower, rounded to the nearest one cent (S\$0.01).

#### **XV OBTAINING PRICES OF UNITS**

47. The Issue Price and Realisation Price of Units will be available on the Business Day following each Dealing Day.

You may check such prices on the Managers' website at <http://www.nikkoam.com.sg>. You should note however that the Issue Price and Realisation Price of the relevant Units will be made available on the Managers' website only after such Units are made available for subscription in Singapore.

#### **XVI SUSPENSION OF DEALINGS**

48.1 Subject to the provisions of the Code, the Managers or the Trustee may, with the prior written approval of the other, suspend the issue and/or realisation of Units of any Sub-Fund (except for the Singapore Dividend Equity Fund for so long as it is a Qualifying CIS) or Class (except for the Classes of the Singapore Dividend Equity Fund for so long as the Singapore Dividend Equity Fund is a Qualifying CIS) or the Fund (except for the Singapore Dividend Equity Fund for so long as it is a Qualifying CIS) during:

- (a) any period when any Recognised Stock Exchange<sup>15</sup> on which any Authorised Investment<sup>16</sup> forming part of the Deposited Property (whether of any particular Sub-Fund) for the time being is listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (b) the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interest of the Holders (whether of any particular Sub-Fund or Class) as a whole or of the Deposited Property (whether of any particular Sub-Fund);
- (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on any Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained;
- (d) 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 Managers or the Trustee, as the case may be, be carried out at normal rates of exchange;
- (e) any period when the fair value of a material portion of the Authorised Investments cannot be determined;
- (f) the period of 48 hours (or any longer period that the Manager and the Trustee agree) prior to the date of any meeting (or adjourned meeting) of Holders of the Fund or the Sub-Fund or the Class convened in accordance with the provisions of the Deed;
- (g) any period pursuant to an order or direction by the Authority; or
- (h) such circumstances as may be required under the provisions of the Code.

48.2 For so long as the Singapore Dividend Equity Fund is a Qualifying CIS, subject to the provisions of the Code and the Standards of Qualifying CIS, the Managers may suspend the issue and/or realisation of Units of the Singapore Dividend Equity Fund or any Class of the Singapore Dividend Equity Fund when:

- (a) dealings in a material portion of the assets of the Singapore Dividend Equity Fund are restricted or suspended, provided that the Trustee is consulted;

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<sup>15</sup> "**Recognised Stock Exchange**" means any stock exchange of repute and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association dealing in the Authorised Investment and any responsible mutual fund or subsidiary thereof or unit trust or collective investment scheme issuing and redeeming participations or units (as the case may be) so as to provide in the opinion of the Managers a satisfactory market for the Authorised Investment and in such a case the Authorised Investment shall be deemed to be the subject of an effective permission to deal or listing on the stock exchange deemed to be constituted by such firm, corporation, association, mutual fund or subsidiary thereof or unit trust scheme or collective investment scheme.

<sup>16</sup> "**Authorised Investment**" means:-

- (i) any Quoted Security (as defined in footnote 23 below)
- (ii) any Unquoted Security (as defined in footnote 22 below);
- (iii) any unit or sub-unit or share of a Fund (as defined in the Deed);
- (iv) any security (as defined in the Deed); and
- (v) any other type of security not mentioned in paragraphs (i) to (iv) above and selected by the Managers for investment of the Deposited Property and approved by the Trustee (such approval to be confirmed in writing);

Provided Always that any Authorised Investment shall be investment or other property, assets or rights for the time being approved by the relevant competent authority in Singapore for investment by the Fund, including all investments authorised under the Regulations (as defined in the Deed), to enable the Fund to qualify as a CPFIS-registered Unit Trust Scheme (as defined in the Deed), and further provided that each of such Authorised Investments shall be a permissible investment under Appendix 1 of the Code and (in respect of the Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) shall also be an eligible asset under Part II of the Standards of Qualifying CIS.



- (b) it is not in the best interests of the Holders of the Singapore Dividend Equity Fund to liquidate a material portion of the assets of the Singapore Dividend Equity Fund, provided that the Trustee's approval is obtained;
- (c) the market value or fair value of a material portion of the assets of the Singapore Dividend Equity Fund cannot be determined, provided that the Trustee's approval is obtained;
- (d) instructed by the Authority in the interest of protecting the rights of Holders of the Singapore Dividend Equity Fund; or
- (e) such circumstances as may be required under the provisions of the Code and the Standards of Qualifying CIS.

48.3 The Managers may, with the approval of the Trustee, limit the total number of Units of any Sub-Fund or Class which Holders may realise and which the Managers are entitled to have cancelled pursuant to Clause 11 of the Deed on any Dealing Day to ten per cent. (10%) of the total number of Units of such Sub-Fund or Class then in issue (disregarding any Units in such Sub-Fund or Class which have been agreed to be issued), such limitation to be applied *pro rata* to all Holders of such Sub-Fund or Class who have validly requested realisations on such Dealing Day including the Managers where applicable, so that the proportion so requested to be realised or cancelled pursuant to Clause 11 of the Deed is the same for all Holders and the Managers. Any Units which, by virtue of the powers conferred on the Managers by Clause 12(l) of the Deed, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of Clause 12(l)) on the next succeeding Dealing Day Provided That if on such next succeeding Dealing Day, the total number of Units of such Sub-Fund or Class to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Managers may further carry forward the requests for realisation or cancellation (as the case may be) until such time as the total number of Units of such Sub-Fund or Class to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit. If Realisation Requests are carried forward as aforesaid, the Managers shall, within seven (7) days, give notice to the Holders affected thereby that such Units in such Sub-Fund or Class have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day.

48.4 If, immediately after any Business Day, the number of Units of a Sub-Fund or Class in issue or deemed to be in issue, having regard to realisations and issues of such Sub-Fund or Class falling to be made by reference to that Business Day, would be less than such proportion (not exceeding ninety per cent. (90%)), as may be determined by the Managers from time to time, of the number of Units of such Sub-Fund or Class in issue or deemed to be in issue on that Business Day, the Managers may, with a view to protecting the interests of all Holders of any Sub-Fund or Class and with the approval of the Trustee, elect that the Realisation Price in relation to all (but not some only) of the Units of such Sub-Fund or Class falling to be realised by reference to that Business Day shall, instead of being the price calculated as hereinbefore mentioned, be the price per Unit of such Sub-Fund or Class which, in the opinion of the Managers, reflects a fairer value for the Deposited Property attributable to such Sub-Fund or Class having taken into account the necessity of selling a material proportion of the Investments at that time constituting part of the Deposited Property attributable to such Sub-Fund or Class; and the Managers may by giving notice to the Holders of Units of such Sub-Fund or Class affected thereby within two (2) Business Days after the relevant day, suspend the realisation of those Units for such reasonable period as may be necessary to effect an orderly realisation of the Authorised Investments (provided that such suspension is subject to the provisions of the

Code and (in respect of Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS). For the purposes of this paragraph, the “fairer value” for the Deposited Property shall be determined by the Managers in consultation with a Stockbroker (as defined in the Deed) or an approved valuer and with the approval by the Trustee. The “material proportion” of the Authorised Investments means such proportion of the Authorised Investments which when sold will cause the reduction of the NAV of the Deposited Property attributable to such Sub-Fund or Class.

## XVII PERFORMANCE OF THE SUB-FUNDS

49.1 The performance of the relevant SGD-denominated Class(es) of the following Sub-Funds as at 30 June 2021 is shown in the table below:

	Return over 1 year	Return over 3 years (A.C.R.)	Return over 5 years (A.C.R.)	Return over 10 years (A.C.R.)	Return since Inception (A.C.R.)
Nikko AM Multi Sector Credit Fund – SGD (Acc) Class	-3.68%	2.19%	1.40%	2.83%	2.34%
Benchmark for Nikko AM Multi Sector Credit Fund – SGD (Acc) Class	0.07%	4.25%	2.63%	3.83%	4.02%
Nikko AM Global Dividend Equity Fund – SGD Hedged (Acc) Class	24.91%	6.21%	7.73%	6.67%	2.02%
Nikko AM Global Dividend Equity Fund– SGD Hedged (Dist) Class	24.94%	6.18%	7.76%	N.A.	5.07%
Singapore Dividend Equity Fund – SGD Class	16.63%	1.99%	5.51%	5.48%	3.87%
Horizon Singapore Fixed Income	-4.94%	1.92%	1.22%	1.70%	2.03%

Enhanced Fund – SGD Class					
Benchmark for Horizon Singapore Fixed Income Enhanced Fund – SGD Class	-2.89%	4.15%	2.51%	2.62%	2.68%

Calculated on a NAV-to-NAV basis taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable, SGD, with all net dividends and distributions (if any) reinvested.

Source: Nikko Asset Management Asia Limited, Russell Investments Group Pte Ltd and Markit Indices Limited

Inception Date: (For all the Classes except the SGD Hedged (Dist) Class of the Nikko AM Global Dividend Equity Fund) 2 August 1999 and (for the SGD Hedged (Dist) Class of the Nikko AM Global Dividend Equity Fund) 17 March 2014

“A.C.R.” means Average Annual Compounded Return

The Markit iBoxx ALBI Singapore Government Bond Index referenced herein is the property of Markit Indices Limited and is used under license. The Horizon Singapore Fixed Income Enhanced Fund - SGD Class is not sponsored, endorsed, or promoted by Markit Indices Limited.

- 49.2 The performance of the relevant USD-denominated Class(es) of the following Sub-Funds as at 30 June 2021 is shown in the table below:

	Return over 1 year	Return over 3 years (A.C.R.)	Return over 5 years (A.C.R.)	Return over 10 years (A.C.R.)	Return since Inception (A.C.R.)
Nikko AM Global Dividend Equity Fund– USD (Acc) Class	25.34%	6.83%	8.01%	6.14%	3.43%
Singapore Dividend Equity Fund – USD Class	21.04%	2.47%	5.53%	4.53%	5.16%

Calculated on a NAV-to-NAV basis (taking into account the maximum. Initial Sales Charge and the Realisation Charge where applicable), USD, with all net dividends and distributions (if any) reinvested.

Source: Nikko Asset Management Asia Limited

Inception Date: 2 August 1999

“A.C.R.” means Average Annual Compounded Return

- 49.3 The performance of the JPY Class of the Singapore Dividend Equity Fund as at 30 June 2021 is shown in the table below:

	Return over 1 year	Return over 3 years (A.C.R.)	Return over 5 years (A.C.R.)	Return over 10 years (A.C.R.)	Return since Inception (A.C.R.)
Singapore Dividend Equity Fund – JPY Class	25.69%	3.50%	8.24%	N.A.	5.18%

Calculated on a NAV-to-NAV basis (taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable), JPY, with all net dividends and distributions (if any) reinvested.

Source: Nikko Asset Management Asia Limited

Inception Date: 1 July 2013

“A.C.R.” means Average Annual Compounded Return

- 49.4 The performance of the CNH Hedged (Dist) Class of the Nikko AM Global Dividend Equity Fund as at 30 June 2021 is shown in the table below:

	Return over 1 year	Return over 3 years (A.C.R.)	Return over 5 years (A.C.R.)	Return over 10 years (A.C.R.)	Return since Inception (A.C.R.)
Nikko AM Global Dividend Equity Fund - CNH Hedged (Dist) Class	28.07%	7.25%	8.64%	N.A.	5.40%

Calculated on a NAV-to-NAV basis (taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable), RMB, with all net dividends and distributions (if any) reinvested.

Source: Nikko Asset Management Asia Limited

Inception Date: 1 April 2014

“A.C.R.” means Average Annual Compounded Return

- 49.5 As (i) the RMB Classes of all the Sub-Funds except for the Nikko AM Global Dividend Equity Fund, (ii) the USD (Dist) Class, the SGD Class and the CNH Class of the Nikko AM Global Dividend Equity Fund and (ii) the SGD (Dist) Class and the USD Hedged (Dist) Class of the Nikko AM Multi Sector Credit Fund have not been incepted as at the date of registration of this Prospectus, a track record of at least one year is not available for these Classes.
- 49.6 The USD Hedged (Acc) Class of the Nikko AM Multi Sector Credit Fund and the USD Class of the Horizon Singapore Fixed Income Enhanced Fund have been incepted on 2 August 1999. As these Classes have since been fully redeemed, a track record of at least one year is not available for these Classes.

- 49.7 There is no Realisation Charge for the Sub-Funds payable presently or during the duration of the periods for which the returns are calculated.
- 49.8 The returns for the Sub-Funds (as shown in the tables in paragraphs 49.1, 49.2, 49.3 and 49.4) are calculated on the assumption that all dividends and distributions (if any) made by the Sub-Funds are reinvested, taking into account all charges which would have been payable upon such reinvestment.
- 49.9 You should note that the investment objective, policy, focus and approach of the Nikko AM Global Dividend Equity Fund was changed with effect from 16 December 2013 and that the returns for the Nikko AM Global Dividend Equity Fund (as shown in the tables in paragraphs 49.1 and 49.2) also relate to a period prior to the change of investment objective, policy, focus and approach of the Nikko AM Global Dividend Equity Fund. You should also note that the SGD Class and the USD Class of the Nikko AM Global Dividend Equity Fund have been respectively re-designated as the SGD Hedged (Acc) Class and the USD (Acc) Class of the Nikko AM Global Dividend Equity Fund with effect from 16 December 2013.
- 49.10 You should note that a Sub-Fund's or a Class's performance will be calculated based on the NAV of the Sub-Fund or the Class after Swing Pricing adjustment (if any) has been applied and therefore the returns of the Sub-Fund or the Class may be influenced by the level of subscription and/or realisation activity. Please refer to paragraph 64 of this Prospectus for further details.
- 49.11 You should note that the SGD Class and the USD Class of the Nikko AM Multi Sector Credit Fund prior to 31 March 2022 have been respectively re-designated as the SGD (Acc) Class and the USD Hedged (Acc) Class of the Nikko AM Multi Sector Credit Fund with effect from 31 March 2022.
- 49.12 The returns for the Sub-Funds as shown in the tables in paragraph 49.1, 49.2, 49.3 and 49.4 are not necessarily indicative of future performance of the Sub-Funds.
- 49.13 As required under the regulations made under the Securities and Futures Act 2001, this Prospectus does not contain any information on past performance based on simulated results of a hypothetical collective investment scheme.

**Performance of benchmark (where applicable)**

50. The benchmarks (if any) against which the performance of the Sub-Funds are measured are as follows:

	<u>Benchmark</u>
Nikko AM Multi Sector Credit Fund	Prior to 31 March 2022: Bloomberg Barclays Global Aggregate Total Return Index SGD Hedged * With effect from 31 March 2022: Nil
Singapore Dividend Equity Fund	Prior to 1 November 2017: Straits Times Index (STI) With effect from 1 November 2017: Nil
Horizon Singapore Fixed Income Enhanced Fund	Markit iBoxx ALBI Singapore Government Bond Index
Nikko AM Global Dividend Equity Fund	Nil

\* Previously known as the Barcap Global Aggregate Index (SGD Hedged) or Lehman Brothers' Global Aggregate (SGD Hedged) Index.

- 50.1 Until 30 June 2001, the DBS 50 Index was used as the benchmark of Singapore Dividend Equity Fund instead of the Straits Times Index (STI) and the switch was made due to the discontinuation of the DBS 50 Index.

With effect from 1 November 2017, the benchmark of the Singapore Dividend Equity Fund has been removed and there is no benchmark for this Sub-Fund. This is because pursuant to the investment objective of this Sub-Fund, this Sub-Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark.

- 50.2 Until 30 September 2001, the SSB World Government Bond Index was used as the benchmark of Nikko AM Multi Sector Credit Fund instead of the Lehman Brothers' Global Aggregate Index and the switch was done as the Managers believe it provides a broader coverage of the investments of Nikko AM Multi Sector Credit Fund compared to the SSB World Government Bond Index. Until 1 May 2003, the TOPIX Index was used as a component of the composite benchmark for the Nikko AM Global Dividend Equity Fund instead of the TOPIX Dividend Included Index and the switch was done as the Managers believe it is more appropriate to use the TOPIX Dividend Included Index which takes into account the dividends of the component stocks.

With effect from 31 March 2022, the benchmark for the Nikko AM Multi Sector Credit Fund (i.e. Bloomberg Barclays Global Aggregate Total Return Index SGD Hedged) has been removed and there is no benchmark for this Sub-Fund. This is because pursuant to the investment objective of the Nikko AM Multi Sector Credit Fund, the Nikko AM Multi Sector Credit Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark.

- 50.3 The portion of the benchmark for the Nikko AM Global Dividend Equity Fund allocated to the MSCI All Country Pacific Basin ex-Japan Free Index was changed to the MSCI All Country Asia Pacific ex-Japan Index with effect from 1 August 2006 and was changed to the Russell Asia Pacific ex Japan (All cap) Index with effect from 1 April 2011. The portion of the benchmark for the Nikko AM Global Dividend Equity Fund allocated to the FTSE World Europe ex-UK Index was changed to the Russell Developed Europe ex-UK Large Cap Index (net) with effect from 1 April 2011. The benchmark of the Nikko AM Global Dividend Equity Fund was changed from the composite benchmark of Russell 1000<sup>®</sup> Net 30% Index, FTSE All Share Index, TOPIX Dividend Included Index, Russell Developed Europe ex-UK Large Cap Index (net) and Russell Asia Pacific ex Japan (All cap) Index, according to their regional weights from time to time, to the MSCI All Country World Index, USD base with effect from 16 December 2013 in order to better reflect the new investment objective, focus and approach of the Nikko AM Global Dividend Equity Fund that also took effect on 16 December 2013. With effect from 1 December 2016, the benchmark for the Nikko AM Global Dividend Equity Fund (i.e. MSCI All Country World Index, USD base) has been removed and there is no benchmark for this Sub-Fund. This is because pursuant to the investment objective of the Nikko AM Global Dividend Equity Fund, the Nikko AM Global Dividend Equity Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark.

- 50.4 The benchmark of the Horizon Singapore Fixed Income Enhanced Fund was changed from the 3-month SIBID rate to the UOB Singapore Government Bond All Index with effect from 1 August 2006. This allows the Managers further flexibility to invest along the duration curve in order to better meet the investment objectives of the Sub-Fund.

With effect from 1 June 2017, the benchmark for the Horizon Singapore Fixed Income Enhanced Fund was changed from the UOB Singapore Government Bond Index to the Markit iBoxx ALBI Singapore Government Bond Index (the “**New Benchmark**”). This is because the UOB Singapore Government Bond All Index was discontinued and the Managers had assessed the New Benchmark to be representative of the Horizon Singapore Fixed Income Enhanced Fund’s investment strategy and hence to be a suitable replacement benchmark for the Horizon Singapore Fixed Income Enhanced Fund.

51. **Expense ratio**

The expense ratios of the Sub-Funds (calculated in accordance with Investment Management Association of Singapore’s guidelines on the disclosure of expense ratios and based on figures in the Sub-Funds’ latest audited accounts) for the financial year ended 31 December 2020 are shown in the table below. The following expenses are excluded from the calculation of the expense ratios:

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

Sub-Fund	Class	Expense Ratio
Nikko AM Multi Sector Credit Fund	SGD (Acc) Class	1.55%
Nikko AM Global Dividend Equity Fund	SGD Hedged (Acc) Class	1.65%
	USD (Acc) Class	1.65%
	SGD Hedged (Dist) Class	1.65%
	CNH Hedged (Dist) Class	1.65%
Singapore Dividend Equity Fund	SGD Class	1.44%
	JPY Class	0.55%
	USD Class	1.43%
Horizon Singapore Fixed Income Enhanced Fund	SGD Class	1.22%

\* Please note that there is a total expense ratio cap of 0.55% for the JPY Class of the Singapore Dividend Equity Fund.

As (i) the RMB Classes of all the Sub-Funds except for the Nikko AM Global Dividend Equity Fund, (ii) the USD (Dist) Class, the SGD Class and the CNH Class of the Nikko AM Global Dividend Equity Fund and (iii) the SGD (Dist) Class and the USD Hedged (Dist) Class of the Nikko AM Multi Sector Credit Fund have not been incepted as at 31 December 2020, the

expense ratios of these Classes for the financial year ended 31 December 2020 are not available.

As the USD Hedged (Acc) Class of the Nikko AM Multi Sector Credit Fund and the USD Class of the Horizon Singapore Fixed Income Enhanced Fund have been fully redeemed, the expense ratios of these Classes for the financial year ended 31 December 2020 are not available.

#### **Turnover ratio**

- 52.1 The turnover ratios of the Sub-Funds (calculated based on the lesser of purchases or sales of underlying investments of the relevant Sub-Fund expressed as a percentage of daily average NAV of the relevant Sub-Fund) for the financial year ended 31 December 2020 are shown in the table below.

Nikko AM Multi Sector Credit Fund	35.91%
Nikko AM Global Dividend Equity Fund	25.35%
Singapore Dividend Equity Fund	23.17%
Horizon Singapore Fixed Income Enhanced Fund	108.81%

#### **XVIII SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

- 53.1 In their management of the Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.
- 53.2 The Sub-Managers do not receive or intend to receive any soft dollars in their management of the Nikko AM Global Dividend Equity Fund and the Nikko AM Multi Sector Credit Fund. NAM Americas also does not receive or intend to receive soft dollars in respect of the global equities trading that it carries out for the Nikko AM Global Dividend Equity Fund.

#### **XIX CONFLICTS OF INTEREST**

- 54.1 The Managers are part of a financial group, and the Managers and their affiliates provide the full suite of financial services to clients, and act simultaneously for a number and range of clients with various interests, requirements and positions.
- 54.2 Other than the Fund, the Managers are also the managers of other collective investment schemes including but not limited to:
- a) Nikko AM Shenton Japan Fund
  - b) Nikko AM Shenton Thrift Fund
  - c) Nikko AM Shenton Income Fund
  - d) Nikko AM Shenton Asia Pacific Fund
  - e) Nikko AM Global Green Bond Fund
  - f) Nikko AM Shenton Emerging Enterprise Discovery Fund
  - g) Nikko AM Shenton Global Opportunities Fund
  - h) Nikko AM Asia Umbrella Funds (formerly known as the "Nikko AM Shenton Eight Portfolios")
  - i) Nikko AM Asia Investment Funds
  - j) Nikko AM Shenton Short Term Bond Funds
  - k) ABF Singapore Bond Index Fund



- l) Nikko AM Singapore STI ETF
- m) Nikko AM Japan Dividend Equity Fund
- n) Nikko AM Asia High Yield Bond Fund
- o) MSIG Asian Bond Fund
- p) Nikko AM Global Multi Asset Conservative Fund
- q) Nikko AM Asia Healthcare Fund
- r) Nikko AM China Onshore Fund Series
- s) Nikko AM ASEAN Equity Fund
- t) Nikko AM All China Equity Fund
- u) NikkoAM-StraitsTrading Asia ex Japan REIT ETF
- v) Nikko AM Asia Limited Investment Fund Series
- w) Nikko AM SGD Investment Grade Corporate Bond ETF
- x) NikkoAM-ICBCSG China Bond ETF
- y) Nikko AM Dynamic Bond Fund
- z) Nikko AM Asia Fund Series
- aa) Nikko AM Impact Investing Multi Asset Fund
- bb) Nikko AM Asia Limited VCC

54.3 The Managers may from time to time have to deal with competing or conflicting interests arising from such other funds managed by the Managers. For example, the Managers may make a purchase or sale decision on behalf of some or all of the other funds managed by them without making the same decision on behalf of any Sub-Fund, as a decision whether or not to make the same investment or sale for any Sub-Fund depends on factors such as the cash availability and portfolio balance of such Sub-Fund. However, the Managers will use their reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds managed by the Manager and the relevant Sub-Fund, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionally as far as possible among the other funds managed by the Managers and the relevant Sub-Fund. The Managers may also transact on each Sub-Fund's behalf with its affiliates. The Managers intend to deal with any conflicts of interests, in a manner consistent with any applicable guidelines which may be issued from time to time by the Investment Management Association of Singapore.

54.4 The Managers are of the view that they are not in a position of conflict in managing their other funds as these funds and the Sub-Funds have different investment universes and investment restrictions. To the extent that there are overlapping investment objectives, the Managers will, as far as practicable, endeavour to have the same securities holdings for such overlapping areas with such securities allocated on a pro-rata basis among the funds. The Deed provides that the Trustee and the Managers shall conduct all transactions with or for the Fund on an arm's length basis. Subject to the relevant investment guidelines of the Sub-Funds, the Sub-Funds may also invest in other funds managed by the Managers and/or its affiliates. In respect of voting rights where the Managers may face a conflict between their own interest and that of the Holders, the Managers shall cause such voting rights to be exercised in consultation with the Trustee.

- 54.5 The Trustee is presently also offering registrar services to the Sub-Funds while the Custodian (which is a party related to the Trustee) is presently also providing fund administration and valuation services to the Sub-Funds. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property of the relevant Sub-Fund under the provisions of the Deed.
- 54.6 The Managers or their affiliates (together the "**Parties**") are or may be involved in other financial, investment and professional activities (including but not limited to providing discretionary investment management or investment advisory services to other clients) which may on occasion cause conflicts of interest with the management of the Sub-Funds. Notwithstanding paragraph 54.4 above, the Parties will be free, in their absolute discretion, to make recommendations to others, or effect transactions on behalf of themselves or for others which may be the same as or different from those effected for the Sub-Funds, and to do so prior to, at the same time as, or after effecting such transactions. The Parties shall not be obliged to purchase, retain or sell for the Sub-Funds any security which the Parties may purchase, retain or sell on behalf of themselves or for others, or which the Parties may recommend to others to purchase, retain or sell. Furthermore, the Parties shall be free to purchase, sell, deal in or compete for the same financial instruments as the Sub-Funds or to take positions opposite to the positions of the Sub-Funds, on behalf of themselves or for others, or to recommend others to take positions opposite to the position of the Sub-Funds. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.
- 54.7 Associates of the Trustee (the "**Trustee's Associates**") may be engaged to provide financial, banking and brokerage services to the Sub-Funds. Such services where provided, will be on an arm's length basis and the Trustee's Associates shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such services. If there is a conflict of interest, the Trustee will endeavour to resolve such conflict quickly and in the interest of the Holders in an equitable manner.
- 54.8 The Managers or the Trustee may acquire, own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. If any conflict of interest arises as a result of such dealing, the Managers and the Trustee, following consultation with the other, will resolve such conflict in a just and equitable manner as they shall deem fit. Such dealings, where entered into, will be on an arm's length basis.
- 54.9 The Sub-Managers of the Nikko AM Global Dividend Equity Fund and the Nikko AM Multi Sector Credit Fund and NAM Americas may also have to deal with competing or conflicting interests in respect of the relevant Sub-Fund with other collective investment schemes or discretionary funds they manage. The Sub-Managers and NAM Americas will use reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Fund as required under the legal regulations applicable to them.
- 54.10 For so long as the Singapore Dividend Equity Fund is a Qualifying CIS, any measures taken by the Managers to minimise or deal with conflicts of interest in respect of this Sub-Fund will also be subject to the provisions of the Standards of Qualifying CIS.

## **XX REPORTS**

- 55.1 The financial year-end of the Sub-Funds falls on 31 December of every calendar year. Holders may obtain electronic copies of the annual accounts of the Sub-Funds, reports of the Auditors on the annual accounts of the Sub-Funds and the annual reports of the Sub-Funds for the

financial year (collectively, the “**Reports**”) from the Managers’ website at [www.nikkoam.com.sg](http://www.nikkoam.com.sg). The Reports will be made available on the Managers’ website within three (3) months of the financial year-end of the Sub-Funds and will remain on the Managers’ website for at least 12 months from the date of posting on the Managers’ website. Printed copies of the Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Reports may submit the relevant request to the Managers or the relevant distributor.

- 55.2 Holders may obtain electronic copies of the semi-annual report and semi-annual accounts of the Sub-Funds (collectively, the “**Semi-Annual Reports**”) from the Managers’ website at [www.nikkoam.com.sg](http://www.nikkoam.com.sg). The Semi-Annual Reports will be made available on the Managers’ website within two (2) months of the end of the period covered by the relevant report and accounts and will remain on the Managers’ website for at least 12 months from the date of posting on the Managers’ website. Printed copies of the Semi-Annual Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Semi-Annual Reports may submit the relevant request to the Managers or the relevant distributor.

## **XXI QUERIES AND COMPLAINTS**

56. You should contact the distributor from whom you purchased your Units if you have any queries regarding your investment in the relevant Sub-Fund(s). You may also contact the Managers at 1800 535 8025.

## **XXII OTHER MATERIAL INFORMATION**

57. Valuation policy and performance measurement standards of the Managers

You should refer to paragraph 8 of the Appendix for the method of valuation of investments of the Sub-Funds. Valuations shall be done on every Dealing Day. There will not be a suspension of valuation by reason of an exchange holiday. In such cases, the last available security prices shall continue to be applied for valuation purposes.

Notwithstanding the foregoing, the Managers’ pricing committee will subject to the provisions of the Code and the conditions set out in section XVI of this Prospectus retain the discretion to suspend valuation if deemed necessary. The Managers’ pricing committee is responsible for considering and arriving at a consensus decision to address any pricing disputes or valuation methodology that requires ad hoc decision due to market situation. Subject to the provisions of the Code and (in the case of the Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS, the Managers may request for approval to suspend the valuation and dealing of a Sub-Fund if the fair value of a material portion of the Sub-Fund’s assets cannot be determined.

The Managers collate and maintain portfolio and series data in the performance systems on a periodic basis and generate performance results to meet reporting requirements. Time-weighted rate of return (TWRR) methodology is adopted for portfolio returns calculation.

58. Hard-to-value or illiquid assets

If the most recent available price for a security invested into by a Sub-Fund exceeds one month for reasons of non-availability of prices from regular market sources and/or counterparties, an appropriate liquidity reserve shall be applied on the last available price in accordance with the Managers’ pricing and valuation policy. The adjusted price shall be approved by the Managers’ pricing committee prior to application.

59. You and your professional advisers should refer to the Appendix where certain selected provisions of the Deed are reproduced. The Deed is a legal document which sets out and the rights, responsibilities and obligations of the Managers, Trustee and Holders. It also sets out the investment limits and restrictions for the Managers and the method for valuing the assets of the Sub-Funds. You may wish to inspect a copy of the Deed at the address of the Managers indicated in paragraph 5 above. If you are in any doubt regarding the contents of this Prospectus, you should contact the Managers at the telephone number provided in paragraph 56 above, or consult your solicitor, financial adviser or other professional adviser.
60. Each Sub-Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code and the Deed. However, the Singapore Dividend Equity Fund will not engage in securities lending for so long as it is a Qualifying CIS.
61. Compulsory realisation of Units
- 61.1 The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in any Sub-Fund held by:
- (a) any Holder:
    - (i) whose subscription for or holding of Units in the relevant Sub-Fund, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
    - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance by the Managers or the relevant Sub-Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
  - (b) any Holder whose holdings of Units in the relevant Sub-Fund, in the opinion of the Managers:
    - (i) may cause the relevant Sub-Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
    - (ii) may cause the offer of the Units of the relevant Sub-Fund, the relevant Sub-Fund, this Prospectus, the Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
  - (c) any Holder whose holdings of Units in the relevant Sub-Fund, in the opinion of the Managers:
    - (i) may cause a detrimental effect on the tax status of the relevant Sub-Fund in any jurisdiction or on the tax status of the Holders of the relevant Sub-Fund; or
    - (ii) may result in the relevant Sub-Fund or other Holders of the relevant Sub-Fund suffering any other legal or pecuniary or administrative disadvantage which the relevant Sub-Fund or the Holders might otherwise not have incurred or suffered; or
  - (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where any information and/or documentary evidence requested by the Managers and/or the Trustee for the purposes of any anti-money laundering, anti-

terrorist financing or know-your-client checks cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or

- (e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Managers and/or the Trustee pursuant to any laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA (as defined in the Important Information section of this Prospectus) and/or any Singapore laws, regulations, guidelines and directives implemented as part of any inter-governmental agreement entered into between the United States and Singapore in connection with the FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or
- (f) any Holder who does not consent, or withdraws his consent, for the Managers or the Trustee to collect, use and/or disclose information or data relating to the Holder, where such information or data is necessary for, or reasonably required by, the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of (i) the relevant Sub-Fund and/or (ii) the Holder in relation to his holdings of Units in the relevant Sub-Fund.

61.2 If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units in any Sub-Fund held by a Holder, the Managers (in consultation with the Trustee) shall be entitled to compulsorily realise such number of Units in the relevant Sub-Fund held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

61.3 Any compulsory realisation under paragraphs 61.1 or 61.2 may be carried out by the Managers on any Dealing Day after giving prior written notice to the relevant Holder, and shall be carried out in accordance with, and at the Realisation Price determined under, the relevant provisions of the Deed.

61.4 The Managers, the Trustee and their respective delegates, agents or Associates (as defined in the Deed) shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, the Trustee and/or any of their respective delegates, agents or Associates under paragraphs 61.1, 61.2 or 61.3.

## 62. Use of ratings issued by credit rating agencies

In relation to the Nikko AM Multi Sector Credit Fund and the Horizon Singapore Fixed Income Enhanced Fund, the Managers may rely on ratings issued by credit rating agencies. The Managers have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the investments are in line with these standards. Information on the Managers' credit assessment process will be made available to you upon request.

## 63. Liquidity risk management

The Managers have established liquidity risk management policies which enable the Managers to identify, monitor, and manage the liquidity risk of each Sub-Fund. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Holders, and

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

The Managers' liquidity risk management policies take into account each Sub-Fund's liquidity terms, asset class, liquidity tools and regulatory requirements.

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

- (a) subject to the provisions of the Deed, the Trustee shall at any time as the Managers may from time to time request, make and vary arrangements for the borrowing for the account of a Sub-Fund provided that the investment guidelines and limits on borrowings in Appendix 1 of the Code and (if applicable) the CPF Investment Guidelines (as defined in the Deed), are complied with;
- (b) subject to the provisions of the Code and (in respect of Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS, the Managers may, and shall at the request of the Trustee, temporarily suspend the realisation of Units of any Sub-Fund or Class during any period when the issue of Units of such Sub-Fund or Class is suspended in accordance with part XVI of this Prospectus. During any such suspension period for the relevant Sub-Fund or the relevant Class, Holders of the relevant Sub-Fund or Class may not be able to realise their Units; and
- (c) The Managers may, with the approval of the Trustee, limit the total number of Units of a Sub-Fund or any Class which Holders may realise on any Dealing Day to 10% of the total number of Units of the relevant Sub-Fund or Class then in issue, such limitation to be applied proportionately to all Holders of the relevant Sub-Fund or Class who have validly requested realisations in relation to their Units of the relevant Sub-Fund or Class on such Dealing Day. In such circumstances, the realisation of your Units may be delayed or the amount of the realisation proceeds that Holders will receive for their Units (upon application of Swing Pricing as described in paragraph 64 of this Prospectus) may be affected.

#### 64. Swing Pricing

The Sub-Funds are single priced and the NAV of a Sub-Fund may fall as a result of, amongst others, the transaction costs (such as broker commissions, custody transaction costs, stamp duties or sales taxes) incurred in the purchase and/or sale of its Authorised Investments (as defined in the Deed of the relevant Sub-Fund) caused by subscriptions, realisations, switches and/or exchanges of Units in the Sub-Fund and the spread between the buying and selling prices of such Authorised Investments. This effect is known as "dilution".

To protect the interest of Holders, the Managers shall, in consultation with the Trustee, have the discretion to apply a technique known as "dilution adjustment" or "swing pricing" ("**Swing Pricing**") in certain circumstances which the Managers deem appropriate. Swing Pricing involves making upwards or downwards adjustments in the calculation of the NAV per Unit of the relevant Sub-Fund or Class on a particular Dealing Day so that such transaction costs and dealing spreads in respect of the Authorised Investments are, as far as practicable, passed on to the investors who are subscribing, realising, switching and/or exchanging Units on that Dealing Day.

Typically, the NAV is adjusted if the net subscription or realisation (including switches and/or exchanges) on a particular Dealing Day reaches or exceeds a certain percentage (the "**Swing Threshold**") of the size of the relevant Sub-Fund as of such relevant Dealing Day. The NAV

will swing upwards for a net subscription and downwards for a net realisation. In relation to the application of Swing Pricing to Classes of Units in the relevant Sub-Fund, the NAV of each Class will be calculated separately but any adjustment will, in percentage terms, affect the NAV of each Class in an equal manner.

The need to apply Swing Pricing will depend upon various factors, including but not limited to (i) the amount of subscriptions and/or realisations (including switches and/or exchanges) of Units on that Dealing Day, (ii) the impact of any transaction costs incurred in the purchase and/or sale of Authorised Investments of the relevant Sub-Fund, (iii) the spread between the buying and selling prices of Authorised Investments of the relevant Sub-Fund and (iv) market conditions such as situations of financial turmoil provided that, any adjustments made by the Managers shall be (i) on a fair and equitable basis and with a view to protecting the interests of Holders and (ii) (in respect of the Singapore Dividend Equity Fund) beneficial to the interests of Holders.

Please note that applying Swing Pricing when the Swing Threshold is reached or exceeded, only reduces the effect of dilution and does not eliminate it entirely. Where the net subscription or realisation is below the Swing Threshold, no Swing Pricing will be applied and dilution will not be reduced.

The swing pricing policy for each Sub-Fund will be subject to regular review and may change from time to time. Accordingly, you should note that our decision to apply Swing Pricing and the level of adjustment made to the NAV per Unit of each Sub-Fund in particular circumstances may not result in the same decision in similar circumstances arising in the future.

Holders and potential investors into a Sub-Fund should also take note of the following:

- (a) the Sub-Fund's performance will be calculated based on the NAV of the Sub-Fund after the Swing Pricing adjustment has been applied and therefore the returns of the Sub-Fund may be influenced by the level of subscription and/or realisation activity;
- (b) Swing Pricing could increase the variability of the returns of the Sub-Fund since the returns are calculated based on the adjusted NAV per Unit; and
- (c) the fees and charges applicable to the Sub-Fund (including fees based on the NAV of the Sub-Fund) will be based on the NAV before the Swing Pricing adjustment is applied.

In the usual course of business, to minimise the impact to the variability of the return of the relevant Sub-Fund, the application of Swing Pricing will be triggered mechanically and on a consistent basis and applied only when the net transaction reaches or exceeds the Swing Threshold.

The Swing Threshold will be set with the objective of protecting the Holders' interest while minimising impact to the variability of the relevant Sub-Fund's return by ensuring that the NAV per Unit is not adjusted where the dilution impact on the relevant Sub-Fund is, in the opinion of the Managers, not significant, and may be varied by the Managers in their discretion.

The amount of adjustment at any future point in time may vary depending on inter alia market conditions, but will under normal circumstances not exceed 2% of the NAV per Unit of the relevant Sub-Fund or Class on the relevant Dealing Day (the "**Maximum Adjustment**"). The Managers reserve the right to apply an adjustment of an amount not exceeding the Maximum Adjustment on the relevant Dealing Day where they deem appropriate and have the discretion to vary the amount of adjustment up to the Maximum Adjustment, in consultation with the Trustee, from time to time without giving notice to the relevant Holders.

Subject to the Deed of the relevant Sub-Fund and the applicable laws and regulations, the Managers may, in exceptional circumstances (including but not limited to volatile market conditions, market turmoil and illiquidity in the market, extraordinary market circumstances or significant unexpected changes in general market conditions) and in consultation with the Trustee temporarily apply an adjustment beyond the Maximum Adjustment on the relevant Dealing Day if, in their opinion, it is in the best interest of investors to do so. In such cases, if so required by the Authority and/or the Trustee, the Managers shall give notice to the relevant investors as soon as practicable in such manner as the Managers and Trustee may agree.



## APPENDIX

This appendix reproduces in summary form certain provisions of the Deed. You may inspect a copy of the Deed at the address specified in paragraph 5 of this Prospectus during office hours. You should note that “Trust” in this appendix refers to “Nikko AM Shenton Horizon Investment Funds”.

### 1. Removal or Retirement of Manager or Trustee

1.1 The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Managers:

- (A) The Managers shall be subject to removal by notice in writing given by the Trustee in any of the following events:
- (i) if the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets or if the Managers cease to carry on business;
  - (ii) if for good and sufficient reason the Trustee is of the opinion and so states in writing that a change of Managers is desirable in the interests of the Holders; Provided Always That if the Managers shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding; or
  - (iii) if the Holders by Extraordinary Resolution passed at a meeting of Holders of all the Sub-Funds duly convened and held in accordance with the provisions of the Schedule to the Deed shall so decide.

In any of the cases aforesaid the Managers shall upon notice by the Trustee as aforesaid (but subject as in Clause 1.1(A)(ii) above provided) *ipso facto* cease to be the Managers and the Trustee shall by writing under its seal appoint some other corporation which holds a valid capital markets services licence under the Securities and Futures Act 2001 upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Managers which deed shall if so required by the Managers provide that the Managers to be appointed thereunder shall purchase from the retiring Managers all Units of which they are the Holder or deemed to be the Holder at the Realisation Price referred to in Clause 12 of the Deed Provided That this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in any of the events in which in accordance with the provisions herein contained the right of terminating the Trust is vested in the Trustee and Provided Further That if pursuant to Clause 1.1(A)(ii) above the Managers shall have referred the matter to arbitration the cesser of the Managers to be Managers shall be delayed until the decision of the arbitrators is known unless the Trustee shall certify in writing that such delay is prejudicial to the interests of the Holders.

- (B) The Managers shall have power to retire in favour of a corporation which holds a valid capital markets services licence under the provisions of the Securities and Futures Act 2001 and is approved by the Trustee upon and subject to such corporation entering into such deed or deeds as mentioned in the last preceding sub-Clause. Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Managers to the Trustee under the Deed at the date thereof the retiring Managers shall be absolved and released from all further obligations under the Deed but without prejudice to the rights of the Trustee or of any Holder, former Holder or other person in respect of any act or omission prior to such retirement.
- (C) Upon any removal or retirement of the Managers in accordance with sub-Clauses (A) and (B) above, the Managers shall, upon receipt of a request in writing from the Trustee, deliver to the Trustee the Registers and all subsidiary documents and records relating thereto.

1.2 The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Trustee:

- (A) The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. In the event of the Trustee desiring to retire the Managers shall use their best endeavours to find a new trustee (being a corporation duly approved as may be required by the law for the time being applicable to the Deed) as Trustee for the Holders and upon doing so shall by deed supplemental thereto appoint such new trustee to be the Trustee in place of the retiring Trustee. If no new trustee is appointed by the Managers as aforesaid within a period of three months after the date of receipt by the Managers of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as the new Trustee on the same basis as aforesaid or to terminate the Trust in accordance with Clause 2(F)(iii).
- (B) The Trustee may be removed and another trustee (duly approved as may be required by the law for the time being applicable to the Deed) may be appointed (i) by Extraordinary Resolution duly passed at a meeting of Holders of all the Sub-Funds held in accordance with the provisions contained in the Schedule to the Deed and of which not less than twenty-one days' notice has been given to the Trustee and the Managers or (ii) if for good and sufficient reason the Managers are of the opinion and so states in writing that a change of Trustee is desirable in the interest of the Holders; Provided Always That if the Trustee shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding; and Provided Further That if the Trustee shall have referred the matter to arbitration, the cesser of the Trustee as Trustee shall be delayed until the decision of the arbitrator is known. In such an event the Trustee shall upon receipt of notice by the Managers execute such deed as the Managers shall require under the common seal of the Trustee appointing the new Trustee to be Trustee of the Trust and shall thereafter *ipso facto* cease to be the Trustee.

- (C) If the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Managers) or if a receiver or judicial manager is appointed in respect of any of its assets or if the Trustee ceases to carry on business, the Managers shall forthwith by instrument in writing remove the Trustee from its appointment under the Deed and shall by the same or some other instrument in writing appoint as Trustee hereof some other trustee duly approved as may be required by the law for the time being applicable to the Deed. The Managers shall notify the Holders of the appointment of any new Trustee within 14 days of the appointment of such Trustee specifying the new Trustee's name, address and date of appointment.
  - (D) In the event the Authority revokes the status of the Trustee as an approved trustee under Section 289 of the Securities and Futures Act 2001, then the Managers shall be at liberty immediately to terminate the services of the Trustee and appoint another trustee in its place within a period of three (3) months from the date of the notice of such revocation from the Authority. Upon termination of the Trustee, the Managers may take all necessary steps to transfer the Deposited Property to the new trustee and to obtain any approval needed from the relevant authority for the replacement of the Trustee.
2. The open-ended unit trust constituted by the Deed is of indeterminate duration. However, under the provisions of the Deed, the Trust may be terminated as follows:
- (A) Either the Trustee or the Managers may in their absolute discretion terminate the Trust by not less than six (6) month's notice in writing to the other given so as to expire at the end of the Accounting Period (as defined in the Deed) current at the end of the year 2014 or thereafter at the end of each fifteen year period. In the event that the Trust shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than three (3) months in advance.
  - (B) The Trust may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:
    - (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets or if any encumbrancer shall take possession of any of their assets or if they shall cease business; or
    - (ii) if in the opinion of the Trustee the Managers shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders; Provided Always That if the Managers shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding.

Subject as mentioned in Clause 2(B)(ii) above the decision of the Trustee in any of the events specified in this Clause 2(B) shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Trust pursuant to this Clause or otherwise. The Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to them therefor and hold it harmless from any claims whatsoever on their part for damages or for any other relief.

- (C) The Trust may be terminated by the Managers in their absolute discretion by notice in writing as hereinafter provided if:
- (i) the aggregate Value of the Deposited Property shall be less than S\$30,000,000;
  - (ii) the Trustee shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Managers) or if a receiver or judicial manager is appointed in respect of any of the assets of the Trustee or if any encumbrancer shall take possession of any of the assets of the Trustee or if they shall cease business; or
  - (iii) in the opinion of the Managers the Trustee shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Managers is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders Provided Always That if the Trustee shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding.
- (D) The Trust may at any time after three (3) years from the date of the Deed be terminated by Extraordinary Resolution of a Meeting of the Holders of all the Sub-Funds duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.
- (E) Subject to Clause 2(F), a party terminating the Trust shall give notice thereof to the other party and the Holders in the manner herein provided and by such notice fix the date at which such termination is to take effect which date shall not be less than three (3) months after the service of such notice.
- (F) Either the Managers or the Trustee may terminate the Trust by written notification to the other party without providing such notice as is specified in Clause 2(E) if:
- (i) any law shall be passed which renders it illegal or, in the opinion of the Managers or the Trustee (as the case may be), impracticable or inadvisable to continue the Trust; or

- (ii) either party removes the other pursuant to the provisions of this Deed and cannot find an acceptable replacement within a period of six (6) months of such removal; or
  - (iii) either party retires in accordance with the provisions of this Deed and an acceptable replacement cannot be found within a period of six (6) months of the notice of retirement.
- 3. Under the provisions of the Deed, upon the Trust being terminated the Trustee shall subject to authorisations or directions (if any) given to it by the Holders pursuant to their powers contained in the Schedule to the Deed proceed as follows:
  - (A) The Trustee shall sell all Authorised Investments (as defined in the Deed) and assets then remaining in its hands as part of the Deposited Property and shall pay out of the Deposited Property all liabilities of the Trust so payable. The sale of such Authorised Investments and assets shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee thinks advisable.
  - (B) The Trustee shall from time to time distribute to the Holders in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the realisation of the Deposited Property and available for the purposes of such distribution Provided That the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay S\$1.00 (or its equivalent in any applicable currency), as the case may be, in respect of each undivided share in the Deposited Property and Provided Also That the Trustee shall be entitled to retain out of any moneys in its hands as part of the Deposited Property under the provisions of Clause 33 of the Deed full provision for all fees, costs, charges, expenses, claims and demands incurred made or apprehended by the Trustee, in connection with or arising out of the liquidation of the Trust and out of the moneys so retained to be indemnified and saved harmless against any such fees, costs, charges, expenses, claims and demands. Any unclaimed proceeds or other cash held by the Trustee under the provisions of this Clause may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.
- 4. Under the provisions of the Deed, any Sub-Fund or Class may be terminated as follows:
  - (A) Any Sub-Fund or Class may at any time after the expiry of three years from the Commencement Date (as defined in the Deed) of the Sub-Fund or Class, be terminated by an Extraordinary Resolution of a Meeting of the Holders of such Sub-Fund or Class duly convened and held in accordance with the provisions contained in the Schedule of the Deed and such termination shall take effect from the day on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.
  - (B) Subject to Clause 4(C), a Sub-Fund or Class may be terminated by the Managers in its absolute discretion by giving notice to the Trustee and thereafter by giving not less than three months' notice to all Holders if:
    - (i) on or after the second anniversary of the Commencement Date of the Sub-Fund or Class and for any successive three month period thereafter ending not

later than ninety days before the date of the notice the Value of the Sub-Fund Property of such Sub-Fund or the part of the Sub-Fund Property attributable to such Class shall be less than S\$5,000,000 or an equivalent amount in the Designated Currency at the Applicable Exchange Rate; or

- (ii) there are less than 25 Holders in that Sub-Fund or Class.
  - (C) Either the Managers or the Trustee may terminate any Sub-Fund or Class by written notification to the other party and the Holders of such Sub-Fund or Class without providing such notice as is specified in Clause 4(D) if any law shall be passed which renders it illegal or in the opinion of the Managers or the Trustee (as the case may be) impracticable or inadvisable to continue the Sub-Fund or Class.
  - (D) Subject as hereinafter provided the effective date of termination of the Sub-Fund or Class shall be the date specified as such by the Trustee or the Managers in the notice to be given to the other of them or where no such notice is required on the date specified in the notice to Holders. The effective date of termination shall not be less than three months after the date of despatch of notice to Holders unless the Trustee or the Managers are advised that the continuance of the Sub-Fund or Class is or will become illegal under the proper law of the Trust, in which case the effective date of termination may be such earlier date as the Trustee or the Managers (whichever shall have given notice of termination) shall determine.
  - (E) Notwithstanding any other provision of the Deed to the contrary, in respect of the Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS, the Singapore Dividend Equity Fund may be terminated on such date as the Managers may with the prior approval of the Trustee determine, by giving prior notice (of such period as may be agreed between the Managers and the Trustee) to the Holders of the Singapore Dividend Equity Fund, if pursuant to Clause 36(A) of the Deed, a modification, alteration or addition that affects the Singapore Dividend Equity Fund and that is material, is proposed to be made to the provisions of the Deed for compliance with any applicable law and regulation and such modification, alteration or addition is not sanctioned by the Holders of the Singapore Dividend Equity Fund at a meeting of the Holders held in connection with such proposed modification, alteration or addition.
5. The Managers shall only be permitted to use derivatives for such purposes as may be permitted under the Code and (in respect of the Singapore Dividend Equity Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS.
6. Every Holder shall be entitled to transfer all or any of the Units of any Sub-Fund or Class that are not CPF Units (as defined in the Deed) held by him by an instrument in writing in common form (or in such other form as the Managers and the Trustee may from time to time approve); Provided That no transfer of part of a holding of Units shall be registered without the approval of the Managers and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding and Provided Further That no transfers of Malaysian Units (as defined in the Deed) shall be permitted except with the prior written consent of the Managers. A fee may be charged by the Managers for the registration of a transfer.
7. An Applicant may, at such time as the Managers may determine, apply for Units in any Sub-Fund or Class via the Automatic Teller Machine ("**ATM**") of the Relevant Participating Bank.

When an Applicant does so, the Applicant's confirmation, by pressing the "Enter" or "Confirm" key of the ATM, shall signify and shall be treated as:

- (i) his written permission given in accordance with the relevant laws of Singapore, including Section 47(4) of the Banking Act 1970, to the disclosure by the Relevant Participating Bank of the relevant particulars of his account with that Relevant Participating Bank to the Relevant Persons and neither the Managers nor the Trustee shall be liable to the Applicant for the consequence of any such disclosure;
- (ii) his written confirmation that he has obtained a copy of this Prospectus or other offering document in connection with the issue and offer to the public of Units of the relevant Sub-Fund or Class for subscription or sale and has read and understood its contents; and
- (iii) his written authorisation to the Relevant Participating Bank to request for funds to be withdrawn from the CPF Board and deposited into his CPF Investment Account or to pay the funds withdrawn from his bank account through the ATM to the Managers for the subscription of Units of the relevant Sub-Fund or Class; and
- (iv) if applicable, his written authorisation to the Relevant Participating Bank to pay the funds withdrawn from his CPF Investment Account to the Managers for the subscription of CPF Units of the relevant Sub-Fund or Class.

During any period when the issue of Units in any Sub-Fund or Class is suspended in accordance with the provisions of the Deed, the application for Units in such Sub-Fund or Class via the ATM shall also be suspended. Any charges which may be imposed by the Relevant Participating Bank in connection with any application for Units via the ATM shall solely be borne by the Applicant.

For the purposes of this Clause, "**Applicant**" means a person who applies for Units in any Sub-Fund or Class via the ATM of a Relevant Participating Bank; "**Relevant Participating Bank**" means any bank in Singapore as the Managers may, after giving notice to the Trustee, from time to time prescribe for the purpose of this Clause; and "**Relevant Person**" means the Managers, the Trustee, the relevant authorities and any other person to whom the Relevant Participating Bank deems it necessary to give, divulge or reveal information in relation to the Applicant's bank account, for the purposes of an application for Units in any Sub-Fund or Class via the ATM.

8. Under the provisions of the Deed, the Value of Authorised Investments are determined as follows:

"Value" except where otherwise expressly stated, with reference to any of the following investments of any of the Sub-Funds other than the Singapore Dividend Equity Fund for so long as the Singapore Dividend Equity Fund is a Qualifying CIS, which are authorised under the Deed shall be determined as follows:

- (a) deposits placed with banks or other financial institutions in or outside Singapore, shall be determined by reference to the face value of such deposits and the accrued interest thereon for the relevant period;

- (b) certificates of deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of their acquisition on the nominal value at the coupon rate;
- (c) shares in any Fund<sup>17</sup> shall be valued at the latest quoted NAV per share as valued by the issuer thereof PROVIDED THAT if such latest quoted NAV is not available or if the Managers do not consider such value to be appropriate, such Authorised Investments shall be valued at such amount as in the opinion of the Managers with the Trustee's approval gives a fair criterion at the relevant time;
- (d) Unquoted Securities<sup>18</sup> shall be the fair value of the Unquoted Securities determined with due care and in good faith by an approved valuer approved by the Trustee as qualified to value such Unquoted Securities and the Managers shall ensure that the basis for determining the price of the Unquoted Securities is documented. The fair value should be the price that the Trust would reasonably expect to receive upon the current sale of the Unquoted Securities;
- (e) Quoted Securities<sup>19</sup> shall be valued based on the official closing price or last known transacted price on the organised market on which the Quoted Securities are quoted; or the transacted price on the organised market on which the Quoted Securities are quoted at a cut-off time specified in the Trust's prospectus and applied constantly by the Managers; or in accordance with a method to be mutually agreed between the Trustee and the Managers; and
- (f) any other Authorised Investments shall be valued in such manner and at such time or times as the Managers and the Trustee shall from time to time agree;

Provided That, if the quotations referred to in sub-paragraph (e) are not available, or if the value of Authorised Investments determined in the manner described in the sub-paragraphs above (other than sub-paragraphs (d) and (f)), in the opinion of the Managers, do not represent a fair value of such Authorised Investment, then the Value shall be any reasonable value as may be determined by the Managers and approved by the Trustee.

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<sup>17</sup> In respect of this sub-paragraph (c), "**Fund**" (in relation to any of the Sub-Funds except for the Nikko AM Multi Sector Credit Fund) means any unit trust or mutual fund or investment corporation managed or advised by an FR Company including the Existing Frank Russell Funds and any successor schemes thereto and (in relation to the Nikko AM Multi Sector Credit Fund) means any unit trust or mutual fund or investment corporation managed or advised by the Managers or any Associate of the Managers. "**Associate**" means and includes any corporation which in relation to the person concerned (being a corporation) is a holding company or a subsidiary or a subsidiary of any such holding company or a corporation (or a subsidiary of a corporation) at least one fifth of the issued equity share capital of which is beneficially owned by the person concerned or an Associate thereof under the preceding part of this definition. Where the person concerned is an individual or firm or other unincorporated body, the expression "Associate" means and includes any corporation directly or indirectly controlled by such person.

<sup>18</sup> "**Unquoted Security**" means any securities of any corporation (denominated in any currency) which is not listed, quoted or dealt on any Recognised Stock Exchange but dealt with on any Market. "**Market**" means any over-the-counter market, telephone market, futures market and organised or informal market (other than a Recognised Stock Exchange) at which securities are regularly invested in any part of the world so as to provide in the opinion of the Managers a satisfactory market for the Authorised Investment.

<sup>19</sup> "**Quoted Security**" means:

(i) any securities of any corporation (denominated in any currency), which is listed or traded or in respect of which permission to deal is effective on a Recognised Stock Exchange; and

(ii) any securities of any corporation (denominated in any currency), in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused.



“Value” except where otherwise expressly stated, with reference to any of the following investments of the Singapore Dividend Equity Fund for so long as it is a Qualifying CIS, which are authorised under the Deed shall be determined as follows:

- (a) quoted investments shall be valued based on the official closing price or last known transacted price on the organised market (as defined in the Standards of Qualifying CIS) on which the quoted investments are quoted; or
- (b) unquoted investments or quoted investments where the transacted prices are not representative or not available to the market, shall be valued based on the fair value of the unquoted investments or the quoted investments determined with due care and in good faith and in accordance with the Standards of Qualifying CIS, by the Managers and/or an approved valuer approved by the Trustee as qualified to value such unquoted investments or quoted investments and the Managers shall document the basis and approach for determining the fair value of the unquoted investments or the quoted investments.

**NIKKO ASSET MANAGEMENT ASIA LIMITED**

**BOARD OF DIRECTORS**

Signed:

Signed:

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Seet Oon Hui Eleanor  
Director

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Kiyotaka Ryu  
Director  
(signed by Seet Oon Hui Eleanor  
for and on behalf of Kiyotaka Ryu)

Signed:

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Hiroki Tsujimura  
Director  
(signed by Seet Oon Hui Eleanor  
for and on behalf of Hiroki Tsujimura)

**PROSPECTUS OF NIKKO AM SHENTON HORIZON INVESTMENT FUNDS**

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