

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## Phillip Singapore Real Estate Income Fund (the “Fund”)

<b>Product Type</b>	Unit Trust	<b>Launch Date</b>	19 September 2011
<b>Manager</b>	Phillip Capital Management (S) Ltd	<b>Custodian</b>	BNP Paribas Securities Services Singapore Branch
<b>Trustee</b>	BNP Paribas Trust Services Singapore Limited	<b>Dealing Frequency</b>	Every Business Day
<b>Capital Guaranteed</b>	No	<b>Expense Ratio for Financial Year ended 30 September 2013</b>	1.10% (Class A SGD units) 1.08% (Class A USD units) 0.79% (Class I SGD units) 0.78% (Class I USD units)

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

This Fund is only suitable for investors who:

- seek medium to long term capital appreciation.
- also seek regular income through quarterly distributions.
- understand that they may lose some or all of the principal amount invested.
- are comfortable with the volatility and risk of a fund which invests mainly in Singapore listed Real Estate Investment Trusts.

Refer to Section 7 on Page 6 and Appendix 1 of the Prospectus for further information on product suitability

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a sub-fund of Phillip Select Fund, an umbrella unit trust fund constituted in Singapore and currently with 2 sub-funds established under it. The Fund aims to invest its assets as stated in the Investment Strategy.
- The Fund intends to distribute dividends quarterly, payable within three months after the end of March, June, September and December, subject to the sole discretion of the Manager.
- Any distributions made may reduce the net asset value of the Fund.

Refer to Section 7 on Page 6, Section 20.3 on Page 24 and Appendix 1 of the Prospectus for further information on product suitability.

### Investment Strategy

- The Fund will primarily invest in Real Estate Investment Trusts (REITs) listed in Singapore, including warrants, bonds and convertible bonds issued by the REITs.
- The Fund may invest up to 10% of its Net Asset Value (“NAV”) into REITs listed outside Singapore.
- The Fund may invest in financial derivative instruments for the purposes of hedging and/or efficient portfolio management.
- The Fund may participate in securities lending and repurchase transactions for the purpose of efficient portfolio management.

Refer to Section 7 on Page 6, Section 9.2.11 on Page 9 and Appendix 1 of the Prospectus for further information on investment objective, focus and approach of the product.

<sup>1</sup> The Prospectus is available for collection at Phillip Capital Management (S) Ltd (Company Registration No. 199905233W) (250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101) during business hours or from our website at [www.phillipfunds.com](http://www.phillipfunds.com)

## Parties Involved

- The Manager is Phillip Capital Management (S) Ltd.
- The Trustee and Registrar is BNP Paribas Trust Services Singapore Limited.
- The Custodian and Administrator is BNP Paribas Securities Services Singapore Branch.

Refer to Page v, Sections 2 to 4 on Pages 2 to 4 of the Prospectus for further information on the parties involved.

## KEY RISKS

### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

**The value of the product and its dividends may rise or fall. Factors that may cause you to lose some or all of your investment include without limitation, market movements, fluctuation in interest rates and activities in securities lending and repurchase transactions.** Some of the key risks associated with Fund are described below.

Refer to Section 9 on Page 7 of the Prospectus for further information on risks of the product.

## Market and Credit Risks

### • You are exposed to market risks

The prices of the listed REITs may be adversely affected by changes in the economic conditions, interest rates and the market perception of the REITS which in turn affect the price of the Fund.

Refer to Sections 9.2 and 9.3 on Pages 7 and 12 of the Prospectus for further information on risks relating to the Fund.

### • You are exposed to credit risks

Adverse changes in the financial condition of the issuer of the debt securities which the Fund is invested in, or in general economic conditions, or both, or an unanticipated rise in interest rate, may increase the potential for default and investors may suffer a substantial loss as a result.

## Liquidity Risks

### • The Fund is not listed and you can redeem only on dealing days.

- There is no secondary market for the Fund. All redemption requests should be made to the Manager.
- The Manager, with the approval of the Trustee, may suspend the issue, cancellation and realization of units during certain circumstances specified in the Prospectus and Trust Deed.

Refer to Sections 12 to 15 on Pages 18 to 21 of the Prospectus for further information on realisation and suspension of dealing in the product.

## Product Specific Risks

### • You are exposed to risks of investing in REITs

REITs depend generally on their ability to generate cash flows to make distributions to shareholders or unitholders, and may be subject to defaults by borrowers and tenants of properties owned by such REITs. REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. Investments in REITs expose the Fund to risks similar to investing directly in real estate.

### • You are exposed to concentration risk

The Fund focuses on REITs listed in Singapore and may be less diversified and the performance may be more adversely affected in negative market conditions compared to a regional equity fund or REITs which have properties spread over different countries or have a more diverse range of investment. Investments in REITs and other issuers that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose the Fund to risks similar to investing directly in real estate.

Refer to Sections 9.2 and 9.3 on Pages 7 and 12 of the Prospectus for further information on risks relating to the Fund.

**• You are exposed to securities lending or repurchase transactions risk**

This involves counterparty risk/credit risk, liquidity risk, sufficiency of collateral risk, collateral investment risk and delivery risk.

**• You are exposed to derivative risks**

The use of derivatives may negatively impact the value of the Fund and it may suffer greater losses than if it had not used derivatives. At the worst case, you may lose all your funds invested if the Fund is fully exposed to derivative positions that move against the Manager’s judgment.

**• You are exposed to currency risk**

Investments by the Fund are made in SGD and may be made in a variety of other currencies, whereas the NAV of the Fund will be computed in its SGD base currency. The value of the Fund may be affected favorably or unfavorably by currency exchange rates.

**FEEES AND CHARGES**

**WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?**

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

<b>Charges and Fees Payable by Holder</b>	
Subscription Fee	Currently up to 3%. Maximum 3%
Realisation Fee	Currently nil. Maximum 3%
Switching Fee	Currently nil. Maximum 1%, subject to a minimum of SGD25

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

<b>Charges and fees payable by the Fund from invested proceeds</b>	
Annual management fee	<u>Class A SGD and Class A USD Units</u> Currently 0.80%. Maximum 1.20% <u>Class I SGD and Class I USD Units</u> Currently 0.50%. Maximum 0.75%
Annual trustee fee, transfer agency and fund administration fees	Currently 0.09%. Maximum 0.12%, subject to minimum of SGD32,000.

Investors should note that subscriptions for units through any Distributor appointed by the Manager may incur additional fees and charges.

<b>Fees and charges payable by the REITs</b>	
Annual management fee	Ranging from 0% to 1.0% of the deposited property value
Annual trustee fee	Ranging from 0% to 0.30% of the deposited property value
Performance fee	Ranging from 0% to 12% of net property income
Acquisition fee	Ranging from 0% to 1% of deposited property value
Divestment fee	Ranging from 0% to 0.5% deposited property value
Development management fee	Ranging from 0% to 3.0% of total project costs

Refer to Appendix 1 of the Prospectus for further information on fees and charges of the Fund.

Fees and charges payable by the REITs to the Property Manager	
Annual Property management fee	Ranging from 0% to 4.0% of gross property revenue for the relevant property  Ranging from 0% to 2.0% of net property income for the relevant property
Project management fee	Ranging from 0% to 3.0% of construction cost
Fees and charges payable by the Sub-Fund directly to the REITs	
Preliminary charge	Not applicable*
Realisation fee	Not applicable*
Switching fee	Not applicable*

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

The Fund is valued every Business Day. Pricing may be available on The Business Times, Bloomberg, Reuters and websites of the appointed distributors, or such other sources as the Manager may decide upon.

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

- You may realise your Units on any Dealing Day subject to any applicable realisation fee.
- If the redemption form is received and accepted by the Manager by 3.30 p.m. Singapore time on a dealing day, your Unit is valued at the net asset value per Unit of such class (Singapore dollar or US dollar) of the Fund as at the close of the Dealing Day less any realisation fee.
- You will normally receive the sale proceeds within 6 business days of receipt and acceptance of the realisation form by the Manager unless the realisation of Units has been suspended in accordance to paragraph 15 of the Prospectus.
- Numerical example of how the amount paid to an investor is calculated based on the sale of 1,000 Units and based on a notional realization price of SGD1.0000:  
  

$$1000 \text{ Units} \times \text{SGD}1.0000 = \text{SGD}1,000 - \text{SGD} 0 = \text{SGD} 1,000$$
Your realisation request X realisation price = Your gross realisation proceeds - realisation fee = Your net realization proceeds
- You may switch your Units of the Fund with units of any other collective investment scheme managed by the Manager.
- You have the right to cancel your initial purchase of Units in the Fund within 7 calendar days from the date of initial subscription or purchase of Units, without incurring the sales charge and fees stated in the FEE AND CHARGES disclosure, by providing notice in writing to the Manager or an authorised agent or distributor.

Refer to Sections 12, 13, 14 and 15 on Pages 18 to 20 of the Prospectus for further information on valuations and exiting from your investment.

Refer to Section 10.6 on Page 17 of the Prospectus and the terms and conditions for cancellation of units attached to the application form for the subscription of units in the Fund.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

You may contact us at the following address:

Phillip Capital Management (S) Ltd  
250 North Bridge Road  
#06-00 Raffles City Tower  
Singapore 179101  
Tel: +65 6538 3638  
Fax: +65 6538 3066  
Email: [pcm@phillip.com.sg](mailto:pcm@phillip.com.sg)

“**Business Day**” means a day on which banks in Singapore are normally open for business (except Saturdays, Sundays and gazetted public holidays).

“**Dealing Day**”, in connection with the issuance and realisation of Units of the Fund, means every Business Day or such other Business Day or Business Days or such other day or days at such intervals as the Manager may from time to time determine provided that reasonable notice of any such determination shall be given by the Manager to all Holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day in relation to Units of any particular Fund the recognised stock exchange or over the counter market on which investments or other property comprised in, and having in aggregate values amounting to at least 50 per cent. of the net asset value (as at the immediately preceding valuation point) of, the Fund to which Units of that Fund relate are quoted, listed or dealt in is not open for normal trading, the Manager may determine that that day shall not be a Dealing Day in relation to Units of that Fund.