



輝立資本管理有限公司

PHILLIP CAPITAL MANAGEMENT (S) LTD

A member of PhillipCapital

Co. Reg. No. 199905233W

24<sup>th</sup> September 2015

Dear Unitholder,

**Phillip Select Fund**

- **Phillip Singapore Real Estate Income Fund (the “Sub-Fund”)**

We, Phillip Capital Management (S) Ltd, the Managers of the Phillip Select Fund (the “Fund”), would like to inform you that the Sub-Fund will be (1) applying to the Monetary Authority of Singapore (“MAS”) to be approved as a Qualifying CIS<sup>1</sup> under the ASEAN CIS Framework<sup>2</sup> and (2) increasing the management fees for Class A / Class I Units with effect from 29 October 2015 or such other date as approved by MAS (the “Effective Date”).

**(1) Qualifying CIS application**

In line with the application to be a Qualifying CIS, the Managers will not be carrying out any securities lending and repurchase transactions and will only use financial derivatives instruments for the Sub-Fund as may be permitted under the Standards of Qualifying CIS<sup>3</sup>. The Sub-Fund will be managed and invested in compliance with the rules and regulations prescribed under the Standards of Qualifying CIS.

**(i) Securities lending and repurchase transactions**

Currently, the Managers may carry out securities lending and repurchase transactions on transferable securities and money market instruments for the purpose of efficient portfolio management for the Sub-Fund. Notwithstanding so, there are currently no ongoing securities lending and repurchase transactions in connection with the Sub-Fund.

From the Effective Date, the Managers will not be carrying out any securities lending and repurchase transactions for the Sub-Fund.

**(ii) Use of financial derivatives instruments (“FDIs”)**

Currently, the Managers may invest in FDIs for the purposes of hedging and/or efficient portfolio management.

From the Effective Date, the Managers may only use FDIs for such purposes as may be permitted by and subject to compliance with the Standards of Qualifying CIS.

**(iii) Authorised Investments**

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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 13<sup>th</sup> ASEAN Finance Ministers’ Meeting. “ACMF” means the ASEAN Capital Markets Forum.

<sup>3</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”.



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Currently, the Managers are permitted to invest in investments permitted under the trust deed of the Fund, provided that each such investment is permitted under the Code on Collective Investment Schemes.

From the Effective Date, in addition to the aforementioned conditions, the Managers may only invest in investments permitted under the Standards of Qualifying CIS.

(2) **Management Fees**

The Managers currently charge management fees of 0.80% per annum for Class A SGD and USD Units (“Class A Units”) and 0.50% per annum for Class I SGD and USD Units (“Class I Units”). The Managers intend to increase the management fees to 1.20% per annum for Class A Units and 0.75% per annum for Class I Units. These increases in management fees are within the levels permitted under Clause 25A of the Trust Deed.

In connection with the above, the Managers and the Trustee of the Fund will be amending the relevant provisions in the Trust Deed to reflect the above changes and an updated prospectus will also be lodged for registration by the MAS in due course, together with the application to MAS for the Sub-Fund to be approved as a Qualifying CIS.

Please be assured that no action needs to be taken on your part and your unitholdings in the Sub-Fund remain unaffected by the above changes.

We thank you for your continued support and investment and we look forward to continually serving you.

Please contact us at (65) 6538 3638 or [pcm@phillip.com.sg](mailto:pcm@phillip.com.sg) should you have any queries.

Yours faithfully,

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Jeffrey Lee Chay Khiong  
Managing Director & Chief Investment Officer  
Phillip Capital Management (S) Ltd