



# Phillip Treasury Fund

- Phillip US Dollar Money Market Fund

**Prospectus**

Dated 22 March 2024

## PHILLIP TREASURY FUND

### Important Information

The managers of Phillip Treasury Fund (the "**Fund**"), Phillip Capital Management (S) Ltd (the "**Managers**"), accept full responsibility for the accuracy of information contained in this Prospectus 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 in this Prospectus misleading.

This prospectus does not constitute an offer or solicitation for the purchase of units of the Fund ("**Units**") 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 be used only in connection with this offering of Units by the Managers or their approved agents or distributors.

Investors should consult the relevant provisions of the trust deed (as amended) relating to the Fund (the "**Deed**") and obtain independent professional advice in any event of any doubt or ambiguity relating thereto.

No application has been made for the Units in the Fund to be listed on any stock exchange. There is no ready market for the Units in the Fund. Investors may consequently only redeem their Units in accordance with and subject to the provisions of the Deed.

Potential investors should seek independent professional advice to ascertain (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile, which may be relevant to the subscription, holding or disposal of Units in the Fund, and should inform themselves of and observe all such laws and regulations in any related jurisdiction that may be applicable to them.

Investors should consider the risks of investing in securities which are summarised in paragraph 9 of this Prospectus.

#### **Phillip US Dollar Money Market Fund**

**Phillip US Dollar Money Market Fund is a money market fund. The purchase of a unit in a money market fund is not the same as placing funds on deposit with a bank or deposit-taking company. Although the Managers may seek to maintain or preserve the principal value of the money market fund, there can be no assurance that the money market fund will be able to meet this objective. A money market fund is not a guaranteed fund, in that there is no guarantee as to the amount of capital invested or return received.**

#### **Restriction on U.S. Persons on subscribing to the Fund**

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. In particular, please note that the Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States. The Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Units are being offered and sold outside the United States to persons that are not

“U.S. persons” (as defined in Regulation S promulgated under the U.S. Securities Act) in reliance on Regulation S promulgated under the U.S. Securities Act. The Units are not being offered or made available to U.S. persons and nothing in this Prospectus is directed to or is intended for U.S. persons.

For the purposes of the U.S. Securities Act, the term “U.S. person” means: (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. person; (iv) any trust of which any trustee is a U.S. person; (v) any agency or branch of a non-United States entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (a) organized or incorporated under the laws of any non-United States jurisdiction and (b) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by “accredited investors” (as defined in Regulation D promulgated under the U.S. Securities Act) who are not natural persons, estates or trusts.

For the purposes of the U.S. Securities Act, the term “U.S. person” does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual), resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (a) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (b) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States; (v) an agency or branch of a U.S. person located outside the United States if (a) the agency or branch operates for valid business reasons and (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, any other similar international organizations, and their respective agencies, affiliates and pension plans.

#### Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (“**FATCA**”) includes provisions under which the Managers as a Foreign Financial institution (“**FFI**”) may be required to report to the U.S. Internal Revenue Service (“**IRS**”) certain information about Units held by U.S. persons for the purposes of FATCA and to collect additional identification information for this purpose. FFIs that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of U.S. source income as well as on the gross proceeds deriving from the sale of securities generating U.S. income made to the Fund.

The Fund is obliged to comply with the provisions of FATCA under the terms of the inter-governmental agreement (“**IGA**”) Model 1 signed between the U.S. Government and the Singapore Government and under the terms of Singapore legislation implementing the IGA.

Distributors and investors should note that it is the existing policy of the Managers that Units are not being offered or sold for the account of U.S. Persons for the purposes of FATCA and that subsequent transfers of Units to such U.S. Persons are prohibited. If Units are beneficially owned by such U.S. Person, the Managers (in consultation with the Trustee) may compulsorily redeem such Units. Investors should note that under the FATCA legislation, the definition of “Specified U.S. Persons” will include a wider range of investors than the current U.S. Person definition.

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

Following the development by the Organisation for Economic Cooperation and Development (“OECD”) of a common reporting standard (“CRS”) to achieve a comprehensive and multilateral automatic exchange of information (“AEOI”), 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 will require investors to provide, amongst other things, information in relation to their identities and tax residences of their accounts (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 advisors on the possible tax and other consequences with respect to the implementation of the CRS.***

#### Data Protection

For the purposes of, and subject to the provisions in, the Personal Data Protection Act 2012 (“PDPA”) and its regulations, each investor consents and acknowledges that all personal data of the investor provided to the Fund, the Managers, the Trustee or any delegate, agent or distributor appointed by the Managers or Trustee (including but not limited to the administrator, custodian, sub-custodians, registrar and any other third party service provider which may be appointed), may be collected, used, disclosed or otherwise processed to enable each of the aforesaid entities to carry out their respective duties and obligations, or to enforce their respective rights and remedies, in connection with any investment by the investor into the Fund or any law applicable to the respective parties.

All enquiries in relation to the Fund should be directed to the Managers, Phillip Capital Management (S) Ltd, or any agent or distributor appointed by the Managers.

## **PHILLIP TREASURY FUND**

### **Directory**

#### **Managers**

Phillip Capital Management (S) Ltd  
(Company Registration No. 199905233W)  
250 North Bridge Road  
#06-00 Raffles City Tower  
Singapore 179101

#### **Directors of the Managers**

Lim Hua Min  
Linus Lim Wen Sheong  
Jeffrey Lee Chay Khiong  
Lim Wah Sai  
Louis Wong Wai Kit

#### **Trustee**

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

#### **Registrar**

BNP Paribas Trust Services Singapore Limited  
20 Collyer Quay  
#01-01  
Singapore 049319

#### **Custodian**

BNP Paribas, operating through its Singapore Branch  
(Company Registration No. S71FC2142G)  
20 Collyer Quay  
#01-01  
Singapore 049319

#### **Auditors**

KPMG LLP  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581

**Solicitors to the Managers**

Chan & Goh LLP  
8 Eu Tong Sen Street  
#24-93 The Central  
Singapore 059818

**Solicitors to the Trustee**

Dentons Rodyk & Davidson LLP  
80 Raffles Place, #33-00  
UOB Plaza 1  
Singapore 048624

# PHILLIP TREASURY FUND

## Table of Contents

Contents	Page
Important Information.....	ii
Directory.....	v
1. Basic Information .....	1
2. The Managers .....	2
3. The Trustee, the Custodian, the Administrator and the Transfer Agent .....	4
4. The Register of Holders .....	5
5. The Auditors .....	5
6. Fund Structure.....	5
7. Investment Objective, Focus and Approach.....	6
8. Fees and Charges .....	8
9. Risks.....	8
10. Subscription of Units .....	14
11. Regular Savings Plan .....	16
12. Realisation of Units .....	17
13. Switching of Units .....	19
14. Obtaining Prices of Units .....	20
15. Suspension of Dealing .....	21
16. Past Performance and Benchmark.....	22
17. Soft Dollar Commissions or Arrangements.....	23
18. Conflicts of Interest .....	23
19. Reports.....	24
20. Other Material Information .....	24
21. Queries and Complaints.....	32

## PHILLIP TREASURY FUND

*The sub-fund of Phillip Treasury Fund (the "**Fund**") offered in this Prospectus is an authorised scheme under the Securities and Futures Act 2001 ("**SFA**"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore ("**Authority**"). The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund. The meanings of terms not defined in this Prospectus can be found in the deed of trust (as amended) constituting the Fund.*

### 1. Basic Information

#### 1.1 Phillip Treasury Fund

The Fund is an umbrella fund constituted in Singapore currently with 1 sub-fund established under it (the "**Sub-Fund**"). An umbrella fund is a collection of sub-funds under a single umbrella trust fund structure with each sub-fund having a separate investment objective and focus.

Currently, the Managers are offering 1 Sub-Fund, namely Phillip US Dollar Money Market Fund, for subscription. In the future, the Managers could add new sub-funds with different investment objectives to the Fund. The main aim of such a structure is to reduce operational costs and provide facilities like inter sub-fund switching.

#### 1.2 Date of Registration and Expiry Date of Prospectus

The date of registration of this Prospectus with the Authority is 22 March 2024. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 21 March 2025) and shall expire on 22 March 2025.

#### 1.3 Trust Deed

1.3.1 The deed of trust relating to the interests being offered for subscription or purchase is dated 17 February 2009 (the "**Trust Deed**") and has been amended by a First Amended and Restated Deed dated 17 February 2010, a Second Amended and Restated Deed dated 17 February 2011, a Third Amended and Restated Deed dated 30 September 2011, a Fourth Amended and Restated Deed dated 28 September 2012, a Fifth Amended and Restated Deed dated 27 September 2013, a Sixth Amended and Restated Deed dated 26 September 2014, a Seventh Amended and Restated Deed dated 31 March 2015, an Eighth Amended and Restated Deed dated 31 March 2017, a Ninth Amended and Restated Deed dated 26 March 2021 and a Tenth Amended and Restated Deed dated 25 March 2022. The Trust Deed as amended by the First Amended and Restated Deed, the Second Amended and Restated Deed, the Third Amended and Restated Deed, the Fourth Amended and Restated Deed, the Fifth Amended and Restated Deed, the Sixth Amended and Restated Deed, the Seventh Amended and Restated Deed, the Eighth Amended and Restated Deed, the Ninth Amended and Restated Deed and the Tenth Amended and Restated Deed shall hereafter be collectively referred to as the "**Deed**".

1.3.2 The parties to the Deed are Phillip Capital Management (S) Ltd, as the managers (the "**Managers**") and BNP Paribas Trust Services Singapore Limited, as the trustee (the "**Trustee**").



1.3.3 The terms and conditions of the Deed shall be binding on each unitholder (together the "Holders" and each a "Holder") and persons claiming through such Holder as if such Holder had been a party to the Deed and as if the Deed contained covenants on such Holder to observe and be bound by the provisions of the Deed and an authorisation by each Holder to do all such acts and things as the Deed may require the Managers and/or the Trustee to do.

1.3.4 A copy of the Deed shall be made available for inspection free of charge, at all times during usual business hours at the registered address of the Managers at 250 North Bridge Road, #06-00, Raffles City Tower, Singapore 179101 and will be supplied by the Managers to any person upon request at a charge of SGD30 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree in writing).

#### 1.4 Accounts and Reports

Copies of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Sub-Funds may be obtained from the Managers upon request at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101.

## 2. The Managers

2.1 The Managers of the Fund are Phillip Capital Management (S) Ltd, whose registered office is at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101. The Managers are regulated in Singapore by the Authority.

The Managers were incorporated in Singapore on 2 September 1999. The Managers hold a capital markets services licence granted by the Authority, and provide fund management and investment advisory services to both institutional and retail clients. The Managers are a member of PhillipCapital, an integrated financial services group established in 1975 ("PhillipCapital Group"), providing a comprehensive range of financial services to retail and institutional customers. Today, the PhillipCapital Group is firmly established in the financial hubs of Singapore, United Kingdom, United States of America, Spain, Japan, China (and Hong Kong SAR), Malaysia, Thailand, Indonesia, Vietnam, Turkey, Cambodia, India, United Arab Emirates and Australia.

The Managers have been managing collective investment schemes and/or discretionary funds in Singapore since 2000. The Managers have an established track record managing funds investing in the Asia Pacific region and globally. The investment funds managed by the Managers include the following: Phillip Money Market Fund, Global Opportunities Fund, Phillip Global Quality Fund, Phillip Global Rising Yield Innovators Fund, Phillip Singapore Real Estate Income Fund, Phillip SGX APAC Dividend Leaders REIT ETF, Phillip SING Income ETF, Phillip SGD Money Market ETF, Phillip MSCI Singapore Daily (2x) Leveraged Product, Phillip MSCI Singapore Daily (-1x) Inverse Product, Sustainable Reserve Fund and Phillip Greater India Equity Fund (a restricted fund which is only offered to institutional and accredited/high net worth investors under the SFA). The Managers also act as sub-manager of Lion-Phillip S-REIT ETF and Phillip HK Newly Listed Equities Index ETF.

***Investors should note that past performance of the Managers or the funds mentioned above are not necessarily indicative of the future performance of the Managers or the funds.***

## **2.2 Directors and Key Executives of the Managers**

The directors of the Managers are as follows:-

### **Lim Hua Min**

Hua Min, of 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101 is Chairman of the PhillipCapital Group and director of Phillip Capital Management (S) Ltd. He previously held senior positions in the Stock Exchange of Singapore and the Securities Research Institute. He has served on a number of committees and sub-committees of the Stock Exchange of Singapore. In 1997, he was appointed Chairman of the Stock Exchange of Singapore (SES) Review Committee, which is responsible for devising a conceptual framework to make Singapore's capital markets more globalised, competitive and robust. Hua Min holds a Bachelor of Science Degree (Honours) in Chemical Engineering from the University of Surrey and obtained a Master's Degree in Operations Research and Management Studies from Imperial College, University of London.

### **Linus Lim Wen Sheong**

Linus, of 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101 is a director and Chief Executive Officer of Phillip Capital Management (S) Ltd and Phillip Tokai Tokyo Investment Management Pte. Ltd. He has been with the PhillipCapital Group since 2001 where he was involved in equity research as well as corporate finance, both in Singapore and the UK. Prior to PhillipCapital, he was at the investment business of Citibank Asia Pacific. Linus is a graduate from the London School of Economics and also holds an MBA from the Anderson School of Management at UCLA. Linus is also a holder of the Fundamentals of Sustainability Accounting (FSA) Credential awarded by the Sustainability Accounting Standards Board.

### **Jeffrey Lee Chay Khiong**

Jeffrey, of 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101 is a director and Chief Investment Officer of Phillip Capital Management (S) Ltd and has been with the PhillipCapital Group since 1992. His prior appointments include senior investment management positions at AIB Govett (Asia) Ltd, DBS Bank and Mitsubishi Corporation Group, with responsibilities for managing funds across various asset classes including fixed income, equities and venture capital. Jeffrey has more than 30 years of investment experience spanning several market cycles. His track record includes a number of award-winning funds in the Asia Pacific and Global Funds category. A Chartered Financial Analyst (CFA) since 1990, he obtained his Bachelor's (Honours) degree in Chemical Engineering from the National University of Singapore on a Public Service Commission Scholarship.

### **Lim Wah Sai**

Wah Sai, of 11/F United Centre, 95 Queensway, Hong Kong is a non-executive director of Phillip Capital Management (S) Ltd. Wah Sai joined the PhillipCapital Group in 1988 and has been managing the PhillipCapital Group's Hong Kong operations since 1993. He is presently the Managing Director and Responsible Officer of the PhillipCapital Group of companies in Hong Kong, including Phillip Securities (HK) Ltd, Phillip Commodities (HK) Ltd and Phillip Capital Management (HK) Ltd. Phillip Capital Management (HK) manages assets for retail and institutional clients and acts as Investment Advisor to an authorized fund in Thailand which primarily invests in Hong Kong and China. Wah Sai is currently a member of Derivatives Market Consultative Panel of HKEx and has over 30 years' experience in the securities, derivatives and banking industries. He holds a Master's Degree in Management Science from Imperial College, University of London and a Bachelor of Science Degree (1st

Class Honours) in Control Instrumentation and System Engineering from the City University, London.

#### **Louis Wong Wai Kit**

Louis, of 11/F United Centre, 95 Queensway, Hong Kong is a non-executive director of Phillip Capital Management (S) Ltd. Louis joined the PhillipCapital Group in 1993 and has been the Director of Phillip Securities (HK) Ltd and Phillip Capital Management (HK) Ltd since 1996 and 2002 respectively. He has over 20 years of investment experience in securities dealing and over 20 years in asset management. Louis obtained his Bachelor of Arts (Honours) degree from the University of Hong Kong.

The key executives of the Managers in respect of the Sub-Fund are as follows:-

#### **Tan Teck Leng**

Teck Leng, of 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101 is a member of the investment team covering global equity markets. He oversees the managed account portfolios and the management of the equity and balanced funds portfolios. Prior to joining PhillipCapital Group in 2008, he worked in the aerospace and defence fields with a Singapore-based engineering conglomerate, and also had project management experience in a regional construction and infrastructure engineering consultancy firm. Teck Leng obtained his Bachelor of Mechanical Engineering degree with First Class Honours from Imperial College London in 1999. Teck Leng is a Chartered Financial Analyst (CFA) since 2013.

#### **Sabrina Loh Yang Nee**

Sabrina Loh, of 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101 is the Investment Director of Phillip Capital Management (S) Ltd. In her role as Investment Director, she is responsible for the development and implementation of investment strategies and processes. She is a member of the investment management committee. Her other key responsibilities include launching and managing of unit trust funds. Ms. Loh is also the Executive Director, Responsible Officer and "Key Personnel" of Phillip Capital Management (HK) Limited and the Phillip ETF Series OFC.

She is currently the Head of Fixed Income overseeing all fixed income portfolios and lead manager for Phillip Money Market Fund, Phillip Money Market ETF and Sustainable Reserve Fund, which are authorised public unit trusts in Singapore, as well as Phillip HKD Money Market Fund, which is authorised for public offering in Hong Kong. Between the period from 2012 to 2017, she was the manager for Phillip US Dollar Money Market Fund and Global Opportunities Fund.

Ms. Loh has more than 20 years' experience of managing funds, including more than ten years' managing unit trusts. She began her career with DBS Asset Management and later joined Insurance Corporation of Singapore. Prior to joining Phillip Capital Management (S) Ltd, she worked for AVIVA Insurance Group.

Ms. Loh graduated with a Bachelor of Commerce (double majors in Economics and Finance) from Curtin University of Technology, Australia.

### **3. The Trustee, the Custodian, the Administrator and the Transfer Agent**

#### The Trustee

The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited whose registered address is at 20 Collyer Quay, #01-01, Singapore 049319. The Trustee is regulated in Singapore by the Authority.

### The Custodian

The Custodian of the Fund is BNP Paribas, operating through its Singapore Branch, with its registered address 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. 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 in Singapore by the Authority. The sub-custodians appointed by the Custodian are regulated in their home jurisdictions.

### The Administrator

The Administrator of the Fund is BNP Paribas, operating through its Singapore Branch, with its registered address at 20 Collyer Quay, #01-01, Singapore 049319. The Managers have delegated their accounting and valuation functions in respect of the Fund to the Administrator.

### The Transfer Agent

The Managers have delegated certain transfer agency functions, in respect of the Fund, to BNP Paribas, operating through its Singapore Branch. The services are provided to the Fund pursuant to the terms of a transfer agency agreement between the Managers and BNP Paribas, operating through its Singapore Branch.

## **4. The Register of Holders**

The register of Holders in respect of each Sub-Fund (each, a "**Register**") is kept and maintained at the office of BNP Paribas Trust Services Singapore Limited (the "**Registrar**") at 20 Collyer Quay, #01-01, Singapore 049319 and is accessible to the public during normal business hours. Each Register is conclusive evidence of the number of units ("**Units**") in the Sub-Fund, or Class thereof, held by each Holder and the details in each Register shall prevail in the event of any discrepancy between the entries in each Register and the details appearing on any statement of holding, unless the Holder proves to the satisfaction of the Managers and the Trustee that such Register is incorrect.

## **5. The Auditors**

The auditors of the Fund are KPMG LLP whose registered address is at 16 Raffles Quay, #22-00 Hong Leong Building, Singapore 048581 (the "**Auditors**").

## **6. Fund Structure**

The Fund is a Singapore authorised umbrella unit trust which presently comprises Phillip US Dollar Money Market Fund.

The Units of the Sub-Fund are classified as Excluded Investment Products (as defined under Annex 1 of the MAS Notice on the Sale of Investment Products and MAS Notice on Recommendations on Investment Products, as may be amended from time to time) and prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

## **Classes of Units**

The Managers may establish Classes of Units within the Sub-Fund. Different Classes within the Sub-Fund have different features. The Classes may differ in terms of their fees, currency of denomination, minimum initial and subsequent subscription amounts and minimum realisation amount. Where a new Class is established, the Managers may at their discretion rename any existing Class as long as there is no prejudice to existing investors of such Class.

Currently, the Managers are offering 2 Classes of Units in the Sub-Fund, namely Class A Units and Class I Units. Class A Units are offered to investors who invest less than USD100,000 and Class I Units are offered to investors who invest USD100,000 and above. Both Classes will constitute the Sub-Fund and are not separate sub-funds. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to (as the case may be) the value of the Sub-Fund which is attributable to that Class.

The Sub-Fund will issue Units denominated in USD and the assets of the Sub-Fund will be valued in USD.

“**SGD**” means the lawful currency of Singapore.

“**USD**” or “**US Dollars**” means the lawful currency of the United States of America.

## **7. Investment Objective, Focus and Approach**

### **7.1 Phillip US Dollar Money Market Fund**

The investment objective of Phillip US Dollar Money Market Fund is to provide liquidity and manage risk while looking to provide a return which is comparable to that of USD short-term deposits.

This Sub-Fund will invest in high quality short-term money market instruments and debt securities. Some of the investments may include government and corporate bonds, commercial bills and deposits with financial institutions. The Money Market Funds Investment Guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the MAS (“**Code**”) will apply to this Sub-Fund.

Subject to the provisions of the Code, the Managers may also invest the deposited property of the Sub-Fund into a maximum of 3 money market funds which are authorised or recognised by the Authority and which are also classified as Excluded Investment Products and prescribed capital markets products, including money market funds managed by the Managers during such time or times and on such terms as the Managers think fit in accordance with the investment objective and focus of the Sub-Fund. Up to 10% of the net asset value of the Sub-Fund may be invested into each money market fund. The management fees charged by the money market funds managed by the Managers will be rebated to the Sub-Fund, as may be agreed between the Managers and the Trustee.

The Managers may use financial derivative instruments (“**FDIs**”) for such purposes as may be permitted under the Code and subject to compliance with the limits and/or restrictions (if any) applicable to Excluded Investment Products and prescribed capital markets products. For the avoidance of doubt, the global exposure limit of 100% of the Sub-Fund’s net asset value to FDIs, computed on a commitment approach, shall apply to the notional value of such FDIs and the Sub-Fund will at all times comply with the investment limits set out in Appendix 2 of the Code.

The Sub-Fund may, subject to the Deed and the Code, participate in securities lending and repurchase transactions and as long as the Sub-Fund is an Excluded Investment Product and

prescribed capital markets product, in accordance with and subject to compliance with the limits and/or restrictions (if any) applicable to Excluded Investment Products and prescribed capital markets products.

#### Performance comparison

The benchmark of the Sub-Fund is the Federal Funds Target Rate – Lower Bound. The Sub-Fund is actively managed and the investment of the Sub-Fund may deviate significantly from components of their respective weightings in the benchmark.

## 7.2 Authorised Investments

The authorised investments ("**Authorised Investments**") of the Fund include:

- (i) any Quoted Investment<sup>1</sup>;
- (ii) any Investment<sup>2</sup> in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange<sup>3</sup> 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 12 weeks (or such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
- (iii) any Unquoted Investment<sup>4</sup>;
- (iv) any Investment denominated in any currency;
- (v) in the case of a Central Provident Fund Investment Scheme ("**CPFIS**") included fund, any Investment for the time being included by the relevant authority for the purposes of unit trust schemes included as CPFIS included funds under the CPFIS Regulations;
- (vi) the currency of any country or any contract for the spot purchase or sale of any such currency or any foreign exchange transaction or any forward contract of such currency; and
- (vii) any other Investment not covered by paragraphs (i) to (vi) of this definition but selected by the Managers for investment of the deposited property of the Sub-Fund and approved in writing by the Trustee,

Provided that each of such Authorised Investments shall be a Permissible Investment<sup>5</sup> under the Code and to the extent allowed under the MAS Notice on the Sale of Investment Products, the MAS Notice on Recommendations on Investment Products and the Securities

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<sup>1</sup> "**Quoted Investment**" means any Investment which is quoted or listed or in respect of which permission to deal is effective on any Recognised Stock Exchange.

<sup>2</sup> "**Investment**" means any Permissible Investment, including any share, stock, bond, note, debenture, debenture stock, unit or sub-unit in any unit trust scheme, participation in a mutual fund, other interests in collective investment schemes, warrant or other stock purchase right, futures, option, index option, loan convertible into security, loan stock, certificate of deposit, banker's acceptance, bill of exchange, bank bill, commercial paper, promissory note, treasury bill or any other fixed or floating rate debt instrument, money market instrument, index and forward currency exchange contract, swap, cap, collar, floor, sale and repurchase transaction and other derivative or financial transaction or instrument or any other security which may be selected by the Managers for the purpose of investment of the deposited property of any Sub-Fund or which may for the time being form part thereof.

<sup>3</sup> "**Recognised Stock Exchange**" means any stock exchange or over-the-counter market or other market of sufficient repute in any part of the world as may be approved by the Managers and the Trustee and includes, in relation to any particular Authorised Investment, any responsible firm, corporation or association in any part of the world which deals in the Authorised Investment as to be expected generally to provide in the opinion of the Managers a satisfactory market for such Authorised Investment.

<sup>4</sup> "**Unquoted Investment**" means any Investment which is not quoted, listed or dealt in on any Recognised Stock Exchange.

<sup>5</sup> "**Permissible Investment**" means such investment as may be permitted to be made by the Sub-Funds under the Code.

and Futures (Capital Markets Products) Regulations 2018 for the purpose of classifying Units of the Sub-Fund as Excluded Investment Products and prescribed capital markets products.

## 8. Fees and Charges

### 8.1 Phillip US Dollar Money Market Fund

<b>Charges and Fees Payable by Investor</b>	
Subscription Fee	Currently nil. Maximum 5%.
Realisation Fee	Currently nil. Maximum 5%.
Switching Fee*	Currently up to 1%, subject to a minimum of USD25.

<b>Fees payable by Sub-Fund to Managers and Trustee</b>		
	<b>Class A Units</b>	<b>Class I Units</b>
Annual management fee	Currently 0.4%. Maximum 2%.	Currently 0.25%. Maximum 1%.
(a) Retained by Manager	Currently 50% to 100% of the annual management fee.	
(b) Paid by Manager to financial advisors/distributors <sup>6</sup>	Currently up to 50% of the annual management fee.	
Annual trustee fee	Currently not more than 0.20%.	

\* Please refer to the Switching Clause in paragraph 13 for more details on the Switching Fee.

In the event that the Sub-Fund invests into underlying money market funds, the Sub-Fund will bear the preliminary charge, realisation charge and switching fee (if any), which may be charged by the underlying money market funds invested into.

Investors should note that subscriptions for Units through any distributor appointed by the Managers may incur additional fees and charges. Investors are advised to check with the relevant distributor if such additional fees and charges are imposed by the distributor. The Managers may share their fees with any distributor appointed by the Managers.

*As required by the Code, all marketing, promotional and advertising expenses in relation to the Sub-Fund will be borne by the Managers and are not debited from the deposited property of the Sub-Fund.*

## 9. Risks

### 9.1 General risks

Investors should consider and satisfy themselves as to the risks of investing in the Sub-Fund. Generally, some of the risk factors that should be considered by investors are political,

<sup>6</sup> Your financial advisor/distributor is required to disclose to you the amount of trailer fee it receives from the Managers.

regulation and reporting, currency, market, liquidity, settlement, custodial and foreign investment risks.

Prospective investors should be aware that the value of Units and the returns derived from them can fluctuate and can go down as well as up and that investors may not get back their original investment. There can be no assurance that the Sub-Fund will achieve its investment objectives or that investors will get back their original investment. Past performance of a Sub-Fund should not be construed as an indication of its future performance.

An investment in the Sub-Fund is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.

## **9.2 Specific risks**

### **9.2.1 Political and Repatriation Risks**

Investments by the Managers in certain countries included in the investment universe of the Sub-Fund may be adversely affected by requirements for approvals, which may be delayed or denied, by restrictions on investment and repatriation of investment proceeds, and by changes in government policies, regulation, and taxation.

### **9.2.2 Regulation and Reporting Risks**

Government regulation and supervision of stock markets, brokers and listed enterprises in some of the countries included in the investment universe of the Sub-Fund may not be as extensive as those in the countries of the world's leading stock markets. In addition, accounting, auditing and financial reporting standards, practices and disclosure requirements in such countries are not comparable to those applicable to companies quoted on the world's leading stock markets.

### **9.2.3 Currency/Foreign Exchange Risks**

Investments by the Sub-Fund may be made in a variety of currencies, whereas the net asset value of the Sub-Fund at any time will be computed in its respective base currency. Accordingly, the value of the Sub-Fund may be affected favourably or unfavourably by movements in currency exchange rates, although the Managers may seek to minimize exposure to currency fluctuation to the extent practicable. The Managers may from time to time employ currency hedging techniques to manage the impact of the exchange rate fluctuations on the Sub-Fund. The Managers reserve the discretion to determine if currency exposure should be hedged actively, passively or not at all, in the best interest of the Sub-Funds.

As the Sub-Fund is denominated in USD, investors will be exposed to exchange rate risk if they use SGD as their base currency.

### **9.2.4 Market and Liquidity Risks**

Trading volumes in stock markets of certain countries included in the investment universe of the Sub-Fund can be significantly lower than on the world's leading stock markets and settlement and custody practices in such markets may not be comparable to those of the world's leading stock markets, which may result in fluctuations in the price of Units in the Sub-Fund. Also, liquidity may be less than the world's leading stock markets, resulting in the possibility of delays in the acquisition and disposal of some investments or settlement of such transactions at unfavourable prices.



The Managers have established liquidity risk management policies to identify, monitor and manage the liquidity risks of the 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 the relevant 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) a Sub-Fund may borrow up to 10 per cent. of the latest available Net Asset Value of the relevant Sub-Fund (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month provided always and subject to the borrowing restrictions in the Code;
- (b) the Managers may pursuant to the Trust Deed, suspend the redemption of Units of the relevant Class or Sub-Fund, and/or delay the payment of any monies and transfer of any Securities in respect of any Realisation Request; and
- (c) the Managers may direct the Trustee to reduce the redemption requests rateably and pro rata amongst all Holders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent (or such higher percentage as the Managers may determine in respect of a Sub-Fund) of the Units in the Sub-Fund then in issue.

The Managers conduct regular assessments of the liquidity profiles of the Sub-Fund's assets by reference to both current and anticipated market conditions and testing against internal liquidity limits of the Sub-Fund. The Managers will exercise their professional judgement in determining reasonable and appropriate factors to be considered in assessing liquidity. For example, potential quantitative factors include size, turnover, bid-ask spreads, transaction costs, and the Sub-Fund's holdings as a proportion of the outstanding issue, and, for fixed income securities, time of issuance and time to maturity. Qualitative factors may include currency denomination and credit quality. The Managers may also conduct stress testing to test the Sub-Fund's ability to withstand and meet anticipated redemption requests under both normal and exceptional liquidity conditions.

#### **9.2.5 Economic, Political and Interest Rates Risks**

Prices of securities may go up or come down in response to changes in economic conditions, political conditions, interest rates and the market's perception of securities which in turn may cause the price of Units in the Sub-Fund to rise or fall.

#### **9.2.6 Default Risks**

In the event that the Sub-Fund invests in debt obligations of governments and companies, the Sub-Fund will seek to limit such risks by investing in short-term, high quality securities but there can be no assurance that the Sub-Fund may not invest in securities with respect to which the governments or companies subsequently default. Adverse changes in the country or company may cause the Sub-Fund to suffer a loss

of interest or principal on any of its holdings of such debt. The government entity or company that controls the servicing of debt obligations may be unwilling or unable to repay the obligations in accordance with their terms.

#### **9.2.7 Settlement Risks**

In certain countries included in the investment universe of the Sub-Fund, the Sub-Fund may be exposed to settlement risks. There may be no guarantee of the operation or performance of settlement, clearing and registration of transactions in these countries and where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to local postal and banking systems in these countries, there may be no guarantee that all investments by the Sub-Fund may be realised.

#### **9.2.8 Foreign Investment Risks**

While the Sub-Fund may invest in markets which provide for the freedom of nationalisation and expropriation, such freedom may be curtailed unexpectedly upon a change of government or when such nationalisation or expropriation is deemed to be in the public interest. The Sub-Fund may seek, whenever such freedom is curtailed, to obtain adequate compensation.

#### **9.2.9 Derivatives Risks**

##### Use of FDIs

Subject to the provisions of the Code and the limits and/or restrictions (if any) applicable to Excluded Investment Products and prescribed capital markets products, the Managers may use FDIs for the purposes of hedging existing positions in a portfolio and/or efficient portfolio management and such FDIs are not used to gear the overall portfolio.

##### Types of FDIs

The FDIs which may be used by the Sub-Fund include, but are not limited to futures, options, warrants, forwards, contract for differences, extended settlement contracts, swaps or swap options. The Sub-Fund will not have exposure to commodities through financial derivatives.

##### Risks Associated with the Use of FDIs

The use of FDIs involves increased risk. The Sub-Fund's ability to use such instruments successfully depends on the Managers' ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Managers' predictions are wrong, or if the FDIs do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used such FDIs.

In addition to the inherent risks of investing in FDIs, the Sub-Fund will also be exposed to credit risk on the counterparties with which it trades, particularly in relation to options, futures, contracts and other FDIs that are not traded on a recognised market. Such instruments are not afforded the same protection as may be afforded to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Sub-Fund might be

subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Fund trades, which could result in substantial losses to the Sub-Fund.

Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Sub-Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.

#### Exposure to FDIs

The Managers confirm that the global exposure of the Sub-Fund to FDIs or embedded FDIs will not exceed 100% of the net asset value of that Sub-Fund at any time. The global exposure relating to derivative instruments is calculated using the commitment approach. The global exposure of the Sub-Fund is calculated as the sum of:

- (a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (c) the sum of the values of cash collateral received pursuant to:
  - (i) the reduction of exposure to counterparties of OTC financial derivatives; and
  - (ii) efficient portfolio management ("**EPM**") techniques relating to securities lending and repurchase transactions,and that are reinvested.

#### Risk Management Process and Compliance Controls

In the event the Managers use FDIs, they are of the view that they have the necessary expertise to control and manage the use of FDIs. Investments in FDIs would normally be monitored and controlled by the Managers with regular marked-to-market valuations, careful research prior to investment and compliance monitoring.

The Managers have set up a formal risk management process, to facilitate compliance with regard to the use of FDIs. This process consists of:

- (a) an appropriate supervisory structure;
- (b) an independent framework of internal controls, varying according to the complexity and sophistication of the derivative strategies; and
- (c) a process of approving the use of new instruments and strategies.

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 FDIs and have in place systems to monitor the derivative positions for the Sub-Fund.

#### **9.2.10 Securities Lending and Repurchase Transactions**

Subject to the provisions of the Deed, the Code and the limits and/or restrictions (if any) applicable to Excluded Investment Products and prescribed capital markets products, the Sub-Fund may carry out securities lending and repurchase transactions

on transferable securities and money market instruments for the purpose of efficient portfolio management, subject to the following limits:

- (a) The collateral of the securities lending or repurchase transactions should exceed the value of the transferable securities or money market instruments transferred by at least 5% and 2% respectively;
- (b) The counterparty would be required to provide additional collateral to the Sub-Fund or its agent no later than the close of the next business day when the current value of the eligible collateral tendered for the securities lending or repurchase transactions falls below 105% and 102% respectively of the value of the transferable securities or money market instruments transferred;
- (c) For the purposes of securities lending and repurchase transactions, collateral may only consist of:
  - (i) cash;
  - (ii) money market instruments; or
  - (iii) bonds.

For the purpose of the above, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, an entity or trust that has a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and Poor's (including sub-categories or gradations therein) (collectively, "**eligible collateral**").

Notwithstanding the above, securitised debt instruments as well as money market instruments or bonds with embedded financial derivatives are not eligible as collateral;

- (d) The maturity period of a repurchase transaction should not exceed 6 months; and
- (e) The Managers may lend the securities of the Sub-Fund to its related corporations and/or any third party and such transactions will be carried out on an arm's length basis. There will be no revenue sharing arrangement between the Sub-Fund and the Managers.

#### Risks relating to securities lending or repurchase transactions

Securities lending or repurchase transactions involve counterparty risk/credit risk, liquidity risk, sufficiency of collateral risk, collateral investment risk, delivery risk and operational risk, as described below:

- (a) Counterparty Risk/Credit Risk refers to the risk when a counterparty defaults on its obligations by becoming insolvent or otherwise being unable to complete a transaction.
- (b) Liquidity risk is the risk that the counterparty cannot settle an obligation for the full value when it is due, but would be able to settle on some unspecified date thereafter. This may affect the ability of the Sub-Fund to meet its redemption obligations and other payment commitments.
- (c) Sufficiency of Collateral Risk. Following a default by a counterparty, the Sub-Fund can sell its collateral in the market to raise funds to replace the lent securities. It will suffer a loss if the value of the collateral securities falls relative to the lent securities.

- (d) Collateral Investment Risk. The value of the securities in which the Managers invest the cash collateral may decline due to fluctuations in interest rates or other market-related events.
- (e) Delivery Risk occurs both when securities have been lent and collateral has not been received at the same time or prior to the loan, and when collateral is being returned but the loan return has not been received.
- (f) Operational risk is risk that the custodian or the lending agent did not administer the program as agreed. This includes the failure to mark to market collateralization levels, call for additional margin, or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

**The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Sub-Fund. Potential investors should be aware that an investment in the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.**

## **10. Subscription of Units**

### **10.1 Subscription procedure**

Applications for any Class of Units of the Sub-Fund may be made on the application form which may be obtained from the Managers or through any agent or distributor appointed by the Managers or via the Internet, if applicable. Investors may pay for Units with cash or Supplementary Retirement Scheme ("SRS") monies.

Investors wishing to use their SRS monies to purchase Units shall indicate so on the application form. The application form shall contain the investor's instructions to the SRS operator bank to withdraw the purchase monies from the investor's SRS account in respect of the Units applied for.

An investor shall pay the subscription monies in US Dollars.

### **10.2 Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount**

The minimum initial subscription amount for Class A Units is USD100 and the minimum initial subscription amount for Class I Units is USD100,000. The minimum subsequent subscription amount is USD100. The Managers may, at their discretion, waive or vary the minimum initial investment and the minimum monthly investment amounts.

### **10.3 Dealing deadline and pricing basis**

As Units of the Sub-Fund are issued on a historical pricing basis, the issue price of Units is known at the time of application. The issue price of the Units of the Sub-Fund is determined at the close of business on the calendar day immediately preceding the date of the issue of the Units (or if such calendar day is not a Business Day<sup>7</sup>, at 6 p.m. Singapore time on such day or such other time as may be determined by the Managers with the approval of the Trustee).

In buying Units, an investor pays a fixed amount of money e.g., USD100, which will buy the investor such number of Units obtained from dividing that sum (net of the Subscription Fee, if any) by the issue price. The dealing cut-off time is 3.30 p.m. Singapore time on a Dealing

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<sup>7</sup> "Business Day" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.

Day<sup>8</sup>. Units in respect of applications received and accepted by the Managers before 3.30 p.m. Singapore time on a Dealing Day will be issued at that Dealing Day's issue price. Applications received after 3.30 p.m. or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

The issue price per Unit of each Class of the Sub-Fund on each Dealing Day shall be an amount equal to the net asset value per Unit of such Class of the Sub-Fund as provided for in Clause 10(C) of the Deed as at the Valuation Point<sup>9</sup> in relation to such Dealing Day. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Issue Price as provided in Clause 11(B) of the Deed, and the Trustee shall determine if investors should be informed of such change.

The net asset value of each Class of the Sub-Fund shall be calculated by valuing the assets of each Class of the Sub-Fund in accordance with the valuation provisions as provided in paragraph 20.8 of this Prospectus. The resultant sum shall be divided by the number of Units of such Class of Units of the Sub-Fund in issue or deemed to be in issue immediately prior to the relevant Dealing Day, and the resultant amount (calculated up to five decimal places and truncated at four decimal places or such other number of decimal places or by such other truncation or rounding method as the Managers may from time to time determine with the approval of the Trustee) shall be the net asset value of a Unit of the Class of the Sub-Fund on such Dealing Day.

#### 10.4 Numerical examples of how Units are allotted:

##### Class A Units

The number of Units you receive with an investment of USD100, based on a notional issue price of USD1.0000, will be calculated as follows:

e.g	USD100	÷	USD1.0000	=	100 Units
	Your Investment		Issue price		No. of Units you will receive

##### Class I Units

The number of Units you receive with an investment of USD100,000, based on a notional issue price of USD1.0000, will be calculated as follows:

<sup>8</sup> "Dealing Day", in connection with the issuance, cancellation and realisation of Units of a particular Sub-Fund, means every Business Day or such other Business Day or Business Days, or such other day or days at such intervals as the Managers may from time to time determine Provided That reasonable notice of any such determination shall be given by the Managers 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 Sub-Fund the recognised stock exchange on which Investments or other property comprised in, and having in aggregate values amounting to at least 50% of the net asset value (as at the immediately preceding Valuation Point) of, the Sub-Fund to which Units of that Sub-Fund relate are quoted, listed or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day in relation to Units of that Sub-Fund.

<sup>9</sup> "Valuation Point" (a) in relation to a non Money Market Fund means such time(s) on a Valuation Day as the Managers with the prior approval of the Trustee from time to time determine and the Managers shall notify the Holders of such change if required by the Trustee; and (b) in relation to Phillip US Dollar Money Market Fund, means such time(s) on the calendar day immediately preceding that Dealing Day or such other times(s) on such other day(s) (or if such calendar day is not a Business Day, at 6 p.m. Singapore time on such day or such other time as may be determined by the Managers with the approval of the Trustee), and the Managers shall notify the Holders of such change if required by the Trustee.

e.g	USD100,000	÷	USD1.0000	=	100,000 Units
	Your Investment		Issue price		No. of Units you will receive

*No Subscription Fee is currently imposed for this Sub-Fund.*

*The above examples are not an indication of the future or likely performance or issue price of the Sub-Fund. The value of Units and the resultant income from them may go down as well as up. Investors should read this Prospectus carefully and consult their professional advisers if necessary before investing.*

### **10.5 Confirmation of purchase**

A confirmation note detailing the investment amount and the number of Units in the Sub-Fund allocated to the investor will be sent within 7 Business Days from the date of issue of Units for cash applications, and within 14 Business Days for SRS applications.

### **10.6 Cancellation of initial subscription by investors**

Investors shall, subject to Clause 14 of the Deed and to the cancellation terms and conditions attached to the application form, have the right to cancel their purchase of Units in the Sub-Fund within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) by providing notice in writing to the Managers or their authorised agent or distributor. Full details of the provisions relating to the cancellation of Units may be found in the terms and conditions for cancellation of Units attached to the application form for the subscription of Units in the Sub-Fund.

### **10.7 Return of Contributions**

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. In the event that an application for Units is rejected by the Managers, the subscription monies shall be refunded (without interest) to the investor within a reasonable time in such manner as the Managers or their relevant authorized agent or distributor shall determine.

## **11. Regular Savings Plan**

For investors who wish to participate in the regular savings plan scheme (“**RSP**”), the minimum initial investment is USD100 (for Class A Units) and USD100,000 (for Class I Units); thereafter the minimum monthly investment is USD100 (for both Classes). The Managers may, at their discretion, waive or vary the minimum initial investment and the minimum monthly investment amounts.

Payment for the RSP will be debited from the investors' bank account or SRS Account (as the case may be) on the 4<sup>th</sup> calendar day (or next Business Day if that day is not a Business Day) of each month and Units will be allotted within 2 Business Days after payment has been debited.

In the event that the debit is unsuccessful, no investment will be made for that month unless otherwise advised by the investors. After 2 consecutive unsuccessful debits, the RSP will be terminated and no notification of such termination will be sent to the investors.

The Managers shall not assume any liability for any losses arising from the investors' payment for the RSP via direct debit transactions.

An investor may terminate his participation without penalty upon giving 30 days' written notice to the Managers.

The Managers reserve the right to terminate or suspend the RSP at any time in its absolute discretion by giving prior notice to the affected investors. The Managers shall not assume any liability for any losses attributable pursuant to the termination or suspension of the RSP.

Investors should additionally comply with the RSP procedures imposed by the relevant distributor through whom they subscribed for Units.

## **12. Realisation of Units**

### **12.1 Realisation procedure**

An investor may at any time during the life of the Sub-Fund make a written request (a "**Realisation Request**") for the realisation of all Units or a partial realisation of at least 100 Units held by him. The Realisation Request must specify the number of the Units of the relevant Class of the Sub-Fund to be realised.

With a view to protecting the interest of all investors, the Managers may, with the approval of the Trustee and in accordance with Clause 15(G)(i) of the Deed, limit the total number of Units to 10% of the total number of Units then in issue, such limitation to be applied *pro rata* to all investors in relation to the Sub-Fund who have validly requested realisations on the relevant Dealing Day.

### **12.2 Minimum holding and minimum realisation amount**

Investors may realise their Units in any Class of the Sub-Fund in full or partially. Partial realisation of Units in any Class of the Sub-Fund must be of at least 100 Units, subject to a minimum holding of (i) 100 Units for Class A Units; and (ii) 100,000 Units for Class I Units or such other number of Units as the Managers may from time to time prescribe and subject to the Managers' sole discretion upon giving prior notice to the Trustee. Units realised may at the option of the Managers be subject to a Realisation Fee<sup>10</sup>. However, the Managers are currently not imposing a Realisation Fee.

### **12.3 Dealing deadline and pricing basis**

Investors may realise their Units of a Class of the Sub-Fund on any Dealing Day. Units in respect of realisation forms received and accepted by the Managers by 3.30 p.m. Singapore time on a Dealing Day shall be realised on historical pricing basis at the realisation price determined at the close of business on the calendar day immediately preceding the date of the redemption of the Units (or if such calendar day is not a Business Day, at 6 p.m. Singapore time on such day or such other time as may be determined by the Managers with the approval of the Trustee). Realisation forms received after 3.30 p.m. or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

The realisation price per Unit of each Class of the Sub-Fund on each Dealing Day shall be an amount equal to the net asset value per Unit of such Class of the Sub-Fund (as provided for in Clause 10(C) of the Deed) as at the Valuation Point in relation to such Dealing Day, such amount to be (calculated up to five decimal places and truncated at four decimal places or such other number of decimal places or by such other truncation or rounding method as the

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<sup>10</sup> "**Realisation Fee**" means a charge upon the realisation of a Unit of any Sub-Fund of such amount as may from time to time be fixed by the Managers generally or in relation to any specific or class of transaction Provided That it shall not exceed 5% of the realisation price.



Managers may from time to time determine with the approval of the Trustee) and taking into account the Realisation Fee, where applicable. The amount due to an investor on the realisation of such a Unit shall be the realisation price per Unit (less any Realisation Fee, Fiscal and sale charges<sup>11</sup> and any rounding in respect thereof).

The Managers may, subject to the prior approval of the Trustee, change the method of determining the realisation price as provided in Clause 15(F) of the Deed, and the Trustee shall determine if investors should be informed of such change.

## 12.4 Numerical examples of how the amount paid to an investor is calculated

**Class A Units** (based on the sale of 100 Units and based on a notional realisation price of USD1.0000):

e.g.	100 Units	x	USD1.0000	=	USD100
	Your realisation request		Realisation Price		Your realisation proceeds

**Class I Units** (based on the sale of 100,000 Units and based on a notional realisation price of USD1.0000):

e.g.	100,000 Units	x	USD1.0000	=	USD100,000
	Your realisation request		Realisation Price		Your realisation proceeds

*The above examples are for illustration purposes only and are not an indication of the future or likely performance of the Sub-Fund. The actual realisation price will fluctuate according to the net asset value of the Sub-Fund. No Realisation Fee is imposed presently.*

## 12.5 Payment of realisation proceeds

- (a) Realisation proceeds shall normally be directly credited or be paid by cheque usually within 7 Business Days of receipt and acceptance of the realisation form by the Managers unless the realisation of Units has been suspended in accordance with paragraph 15.
- (b) In the case of an investor who has purchased Units with monies from his SRS Account, any monies payable to such investor in respect of such Units shall be paid by transferring the monies to the relevant bank for credit of the investor's SRS Account or otherwise in accordance with the provisions of any applicable law, regulations or guidelines. In the event that the SRS Account has been closed, the monies shall be paid to the investor in accordance with paragraph 12.5(c) or otherwise in accordance with any applicable law, regulations or guidelines.

<sup>11</sup> "Fiscal and sale charges" means all stamp and other duties, taxes, governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the deposited property of the Sub-Fund or the increase of the deposited property of that Sub-Fund or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Authorised Investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commissions payable to agents on sales and repurchases of Units.

- (c) In the case of an investor who has purchased Units with cash, any monies payable to such investor in respect of such Units will be paid by cheque sent through the post to his registered address or by telegraphic transfer to a nominated bank account.

## 12.6 Compulsory Realisation

The Managers have the right (in consultation with the Trustee) to realise compulsorily any holdings of Units in the Sub-Fund held by:-

- (i) any investor:
  - (a) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (b) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Sub-Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (ii) any investor whose holdings, in the opinion of the Managers:
  - (a) may cause the Sub-Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
  - (b) may cause the offer of the Units of the Sub-Fund, the 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
- (iii) any investor whose holdings, in the opinion of the Managers:
  - (a) may cause a detrimental effect on the tax status of the Sub-Fund in any jurisdiction or on the tax status of the investors of the Sub-Fund; or
  - (b) may result in the Sub-Fund or other investors of the Sub-Fund suffering any other legal or pecuniary or administrative disadvantage which the Sub-Fund or investors might not otherwise have incurred or suffered; or
- (iv) any investor who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or who is unable or unwilling to provide information and/or documentary evidence requested by the Managers for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks.

Any compulsory realisation under this paragraph may be carried out by the Managers on any Dealing Day, without prior notice to investors, and shall be carried out in accordance with, and at the realisation price determined under, Clause 15(F)(i) of the Deed on realisations.

## 13. Switching of Units

- (a) Switching between Sub-Fund and other funds

Investors may switch Units of the Sub-Fund (the "**original Sub-Fund**") with units of any other collective investment scheme or fund managed by the Managers (the "**new Fund**") in accordance with the provisions of the Deed. Application for switching of Units may be made by submitting to the Managers (or through any agent or distributor appointed by the Managers or through any other applicable sales channel) a notice ("**Conversion Notice**") in such form as the Managers may from time to time require. Switching of Units shall be at the prevailing realisation price. Any partial switching shall be subject to the investor maintaining a minimum holding as described in paragraph 12.2. The minimum holding of units of the new Fund will

also need to be complied with in the event of a switch. Units switched may be subject to a Switching Fee of not more than 1% of the realisation price or such percentage as may from time to time be determined by the Managers in consultation with the Trustee (subject always to a minimum of USD25). In the case where the original Sub-Fund is the Phillip US Dollar Money Market Fund and the new Fund is not a money market fund, Units switched shall be subject to an additional fee equal to the difference, if any, between the Subscription Fee imposed on the original Sub-Fund and the new Fund.

Subject as hereinafter provided, the switching of Units shall be made on the 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 Fund ("**Common Dealing Day**") on which the Conversion Notice is received by the Managers by the Dealing Deadline on such Common Dealing Day. If a Conversion Notice is received on a day which is not a Common Dealing Day or is received after the Dealing Deadline on a Common Dealing Day, such Conversion Notice shall be treated as having been received before the Dealing Deadline on the next Common Dealing Day.

Switching of the Units of the original Sub-Fund shall be effected by the cancellation of such Units and by the issue of Units of the new Fund, such cancellation and issue taking place on the relevant Common Dealing Day, and the number of Units of the new Fund to be issued on switching shall be determined by the Managers in accordance with the provisions of the Deed.

(b) Switching between Classes of Phillip US Dollar Money Market Fund

Class A Units may not be switched into Class I Units of the Sub-Fund and Class I Units may not be switched into Class A Units of the Sub-Fund unless otherwise permitted by the Managers at their absolute discretion and subject to payment of such fee as may be determined by the Managers. The switching fee shall be borne by the relevant investor and shall accrue to the benefit of the Managers.

The Managers may at their discretion reject any application by investors to switch their Units for units of any other collective investment scheme or fund managed by the Managers.

#### **14. Obtaining Prices of Units**

The issue and realisation prices may be published in The Business Times, Bloomberg, Reuters and websites of the Fund's distributors, or such other sources as the Managers may decide upon. The actual issue and realisation prices quoted will generally be published two (2) Business Days after the relevant Dealing Day in USD.

*Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned. Save for publications of the Managers, the Managers do not accept any responsibility for any errors on the part of the publisher concerned in the prices published in the newspapers or such other publication or for any non-publication or late publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by investors in reliance upon such publication.*

## **15. Suspension of Dealing**

**15.1** The Managers may, subject to the provisions of the Code and with the prior approval of the Trustee, suspend the issue, cancellation and realisation of Units of the Sub-Fund or Class of the Sub-Fund during:

- (i) any period when the Recognised Stock Exchange on which any Authorised Investments forming part of the deposited property (whether of any particular sub-fund or of the Fund) for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (ii) the existence of any state of affairs which, in the opinion of the Managers and the Trustee might seriously prejudice the interests of the Holders (whether of any particular sub-fund or of the Fund) as a whole or of the deposited property (whether of any particular sub-fund or of the Fund);
- (iii) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (iv) 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 and the Trustee, be carried out at normal rates of exchange;
- (v) in respect of any sub-fund for which a meeting of the Holders is proposed to be convened, any 48 hours (or such longer period as the Managers and the Trustee may agree) prior to the date of any meeting of the Holders of the said Sub-Fund or Class of the Sub-Fund (or any adjourned meeting thereof);
- (vi) any period where dealing of Units is suspended pursuant to any order or direction of the Authority;
- (vii) any period when the business operations of the Managers or the Trustee in relation to the operation of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, strikes or acts of God; or
- (viii) any period as may be required under the provisions of the Code.

**15.2** The Managers may also suspend the realisation of Units during any period of consultation or adjustment arising from the provisions of Clause 15(F) of the Deed.

**15.3** Subject to the provisions of the Code, such suspension shall take effect forthwith upon the declaration in writing thereof by the Managers to the Trustee and the Authority and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph 15 shall exist upon the declaration in writing thereof by the Managers.

## 16. Past Performance and Benchmark

16.1 The following tables show the past performance of the Sub-Fund and its benchmark as at 31 December 2023:

	1 year	3 years	5 years	10 years	Since inception*
		<--- average annual compounded returns---->			
Class A Units	4.53%	1.94 %	1.67%	1.27%	1.10%
Class I Units	4.70%	2.10%	N.A.	N.A.	1.88%
Federal Funds Target Rate – Lower Bound	5.10%	2.27%	1.87%	1.19%	0.81%

With effect from 1 January 2022, the benchmark has been changed to “Federal Funds Target Rate – Lower Bound”. The reason for the change is due to the phasing-out of the 1-week USD Libor on 31 December 2021.

\* Inception Date: Class A Units – 6 May 2009; Class I Units – 27 July 2020

Source: Federal Funds Target Rate – Lower Bound is obtained from Bloomberg.

The performance of the Sub-Fund is calculated based on single pricing basis (taking into account the subscription fee and realisation fee (which are currently nil)) and with dividends and distributions (if any) reinvested, taking into account any charges which would have been payable upon such reinvestment. Investors should note that the subscription fee may vary between distributors.

***Past performance of the Sub-Fund is not necessarily indicative of the future performance of the Sub-Fund.***

## 16.2 Expense Ratio

The expense ratio for the Sub-Fund for the year as of 31 March 2023 is as follows:

Class A Units	0.49%
Class I Units	0.33%

The expense ratio of the Sub-Fund is calculated in accordance with the Investment Management Association of Singapore’s guidelines on the disclosure of expense ratios (the “**IMAS Guidelines**”) and based on the Sub-Fund's latest audited accounts. The following expenses, as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

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

### **16.3 Turnover Ratio**

The turnover ratio for the Sub-Fund for the year as of 31 March 2023 is 3.67%.

The turnover ratio is calculated based on the lesser of purchases or sales of the underlying investments expressed as a percentage of daily average net asset value (NAV).

### **17. Soft Dollar Commissions or Arrangements**

The Managers shall be entitled to and intend to receive or enter into soft-dollar commissions or arrangements in respect of the Fund. The Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Managers may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial services in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by the Managers.

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

The Managers will not accept or enter into soft dollar commissions or arrangements unless such soft-dollar commissions or arrangements would, in the opinion of the Managers, be reasonably expected to assist the Managers in their management of the Fund, provided that the Managers shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Managers do not, and are not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

### **18. Conflicts of Interest**

The Managers may from time to time have to deal with competing or conflicting interests of the Sub-Fund with 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 the Sub-Fund, as a decision whether or not to make the same investment or sale for the Sub-Fund depends on factors such as the cash availability and portfolio balance of the Sub-Fund. However, the Managers will use reasonable endeavours at all times to act fairly and in the interest of the Sub-Fund. In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds managed by the Manager and the Sub-Fund, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Sub-Fund and the other funds managed by the Managers.

The Managers, their directors and related companies may invest in the Sub-Fund. In the event that a conflict of interest does arise, the Managers shall endeavour to ensure that it is resolved fairly and in the interest of investors.

In the event of a conflict of interest, the Trustee will endeavour to resolve such conflict quickly and in the interest of the Holders in an equitable manner. Associates of the Trustee (the

“Trustee’s Associates”) may be engaged to provide financial, banking and brokerage services to the Sub-Fund. 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.

Where applicable, the Trustee is presently also acting as registrar to the Sub-Fund while the Custodian (a related party to the Trustee) is presently providing fund administration, transfer agency and custody services to the Sub-Fund. These services will be 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 Sub-Fund under the provisions of the Deed.

The Trustee shall conduct all transactions with or for the Sub-Fund on an arm’s length basis.

The Trustee may own, hold, dispose or otherwise deal with Units in the Sub-Fund as though it was not a party to the Deed. In the event that there is a conflict of interest which arises from such a dealing, the Trustee shall resolve such a conflict in a just and equitable manner as it shall deem fit. Such dealings, where entered into, will be on an arm’s length basis.

## **19. Reports**

### **Financial year-end and distribution of reports and accounts**

The financial year-end of the Sub-Fund is 31 March each year. The annual report, annual accounts and the auditor’s report on the annual accounts shall be prepared in accordance with the provisions of the Code and sent or made available to investors (whether by post or such electronic means as may be permitted under the Code) within 3 months of the financial year-end (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts shall be prepared in accordance with the provisions of the Code and sent or made available to investors (whether by post or such electronic means as may be permitted under the Code) within 2 months of the financial half-year end (or such other period as may be permitted by the Authority), i.e., 30 September. In cases where the accounts and reports are available in electronic form (as permitted under the Code), investors will receive a hardcopy letter or an email (where email addresses have been provided for correspondence purposes) informing them that the accounts and reports are available and how they may be accessed. Investors may also request for hardcopies of the accounts and reports within 1 month (or such other period as may be permitted by the Authority) from the notification of the availability of the accounts and reports. The Trustee will also make available, or cause to be made available, hardcopies of the accounts and reports to any investor who requests for them within 2 weeks of any request from such investor (or such other period as may be permitted by the Authority). Investors may also at any time opt for hardcopies for all future reports and accounts at no cost to them.

## **20. Other Material Information**

### **20.1 Change of Investment Policy**

The Manager may, subject to the provisions of the Deed and with the prior approval of the Trustee, change the investment policy of the Sub-Fund upon giving investors 1 month’s prior written notice.

### **20.2 Information on investments**

At the end of each month, investors will receive a statement showing the value of their investment, including any transactions during the month.

### **20.3 Distribution of income and net capital gains**

Distribution of income and net capital gains will be at the Managers' sole discretion and in accordance with the Deed.

### **20.4 Exemptions from liability**

**20.4.1** The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

**20.4.2** The Trustee and the Managers shall incur no liability to the investors or to any other person for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.

**20.4.3** Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any transfer or form of application, endorsement or other document (whether sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any such person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

**20.4.4** Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; provided nevertheless that any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.

**20.4.5** Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustees separately from acting as managers or trustees of trusts separate and distinct from the Fund.

**20.4.6** Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed by the Chairman even though it may be subsequently found that there was some defect in the constitution of the



meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.

## **20.5 Custody of Investments**

The Trustee shall be responsible for the safe custody of the deposited property. Any Authorised Investments forming part of the deposited property of the Sub-Fund shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to the Managers appoint such person or persons as it thinks fit (including itself or its associates) as agents, nominees, custodians, sub-custodians in respect of any of the deposited property of the Sub-Fund and such persons to exercise any or all of the obligations of the Trustee under the Deed, and the fees and expenses of such agents, nominees, custodians, sub-custodians and other such persons shall be paid out of the deposited property of the Sub-Fund. The Trustee may at any time procure that:

- (i) any officer or responsible official of the Trustee jointly with the Trustee; or
- (ii) any nominee appointed by the Trustee; or
- (iii) any such nominee and the Trustee; or
- (iv) any custodian, joint custodian or sub-custodian appointed pursuant to the provisions of this paragraph 20.5; or
- (v) any company operating a recognised clearing system in respect of the Authorised Investments of any Sub-Fund; or
- (vi) any broker, financial institution or other person (or, in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

to take delivery of and retain and/or be registered as proprietor of any Investment or other property held upon trusts of the Deed. Any Authorised Investment in registered form shall as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee and/or its nominee for the account of the Sub-Fund and shall remain so registered until disposed of pursuant to the provisions of the Deed. Subject as aforesaid the Trustee shall retain the documents of title to all Authorised Investments held upon the trusts of the Deed in its possession in safe custody.

## **20.6 Investment restrictions**

Phillip US Dollar Money Market Fund is subject to the investment and borrowing restrictions in the Investment and Borrowing Guidelines (except for the provisions in sections 1 to 4 (other than paragraphs 1.3, 1.6, 1.7, 4.1 and 4.8) of Appendix 1 of the Code) and the investment guidelines for money market funds (as set out in Appendix 2 of the Code) issued by the Authority under the Code, which guidelines may be amended from time to time. Phillip US Dollar Money Market Fund will not invest in any product nor engage in any transaction which may cause Phillip US Dollar Money Market Fund not to be regarded as an Excluded Investment Product or prescribed capital markets product and may only invest in Excluded Investment Products and prescribed capital markets products.

## 20.7 Meetings of Holders

**20.7.1** A meeting of the Holders of all the sub-funds of the Fund duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution<sup>12</sup>:

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 39 of the Deed;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the management fee, the performance fee or the maximum permitted percentage or amount of the Trustee's remuneration in relation to a sub-fund;
- (iii) to terminate the Fund as provided in Clause 36(F) of the Deed;
- (iv) to remove the Auditors as provided in Clause 32(D) of the Deed;
- (v) to remove the Trustee as provided in Clause 33(C)(iii) of the Deed;
- (vi) to remove the Managers as provided in Clause 34(A)(iv) of the Deed;
- (vii) to direct the Trustee to take any action (including the termination of the Fund) pursuant to Section 295 of the SFA;
- (viii) to sanction a scheme of reconstruction whether by the way of amalgamation, merger or dissolution affecting the Fund; and
- (ix) to sanction any other matter which the Trustee and/or the Managers may consider necessary to lay before the meeting of Holders,

but shall not have any further or other powers.

**20.7.2** A meeting of the Holders of a sub-fund duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution:

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 39 of the Deed to the extent that such modification, alteration or addition affects the Holders of the relevant sub-fund;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the management fee or the maximum permitted percentage or amount of the Trustee's remuneration in relation to the relevant sub-fund;
- (iii) to terminate the relevant sub-fund as provided in Clause 36(F) of the Deed;
- (iv) to sanction a scheme of reconstruction whether by way of amalgamation, merger or dissolution of the relevant sub-fund;
- (v) to direct the Trustee to take any action (including the termination of the Sub-Fund) pursuant to Section 295 of the SFA; and

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<sup>12</sup> An "Extraordinary Resolution" means a resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution.

- (vi) to sanction any other matter which the Trustee and/or the Managers may consider necessary to lay before the meeting of Holders,

but shall not have any further or other powers.

**20.7.3** A meeting of the Holders of a Class of Units duly convened and held in accordance with provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution:-

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 39 of the Deed to the extent that such modification, alteration or addition affects the Holders of the relevant Class;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the Management Participation, the Performance Fee or the maximum permitted percentage or amount of the Trustee's remuneration in relation to the relevant Class;
- (iii) to terminate the relevant Class as provided in Clause 36(F) of the Deed; and
- (iv) to sanction any other matter which the Trustee and/or the Managers may consider necessary to lay before the meeting of Holders,

but shall not have any further or other powers.

## **20.8 Valuation**

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

- (A) a deposit placed with a bank or other financial institution or a bank bill, shall be determined by reference to the face value of such Investments and the accrued interest thereon for the relevant period;
- (B) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price;
- (C) a permissible investment (as defined in the Money Market Funds Investment Guidelines and other than any deposit or bank bill or unit or share in an open-ended collective investment scheme referred to in sub-paragraphs (A) and (B) above) shall be valued at its purchase cost after adding or deducting an Adjustment Factor (hereinafter defined). The Adjustment Factor is derived by amortising (using the straight line method) the difference between the purchase cost and the redemption value on maturity over the remaining period (calculated in number of days) to maturity. The Adjustment Factor will be added (where the purchase cost is less than the redemption value on maturity) or deducted (where the purchase cost is more than the redemption value on maturity) to the purchase cost of such Investment;
- (D) an unquoted Investment (other than any deposit or bank bill or unit or share in an open-ended collective investment scheme referred to in sub-paragraphs (A) and (B) above), shall be calculated by reference to the mean of bid and offered prices quoted by such persons, firms, or institutions determined by the Managers to be dealing or making a market in that investment at the close of trading in the relevant market on

which the particular Investment is traded. However, if such price quotations are not available, value shall be determined by reference to the face value of such Investments, the prevailing term structure of interest rates and the accrued interest thereon for the relevant period; and

- (E) a quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price on such recognised stock exchange and, if there be no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the mean of bid and offered prices quoted on such recognised stock exchange.

Provided that, if the quotations referred to in (B), (C), (D) and (E) above are not available, or if the value of the Authorised Investment determined in the manner described in (A), (B), (C), (D) or (E) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee who shall decide if a notice to notify the investors of such change in the value is required. For the purposes of this proviso, the "fair value" shall be determined by the Managers in consultation with an approved stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code.

In exercising in good faith the discretion given by the proviso above, the Managers shall not, subject to the provisions of the Code, assume any liability towards the Fund, and the Trustee shall not be under any liability, in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

In calculating the net asset value of the Sub-Fund or any proportion thereof:

- (i) every Unit relating to the Sub-Fund agreed to be issued by the Managers shall be deemed to be in issue and the deposited property of the Sub-Fund shall be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or other assets to be received in respect of Units of the Sub-Fund agreed to be issued and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the deposited property pursuant to Clause 11 of the Deed;
- (ii) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded, respectively, and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed; and
- (iii) where in consequence of any notice or request in writing given pursuant to Clause 13, 14 or 15 of the Deed a reduction of the Fund by the cancellation of Units of the Sub-Fund is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments to be transferred out of the deposited property of the Sub-Fund shall be deducted from the net asset value of the Sub-Fund.

In calculating the net asset value of the Sub-Fund, there shall be deducted any amounts not provided for above which are payable out of the deposited property of the Sub-Fund in the following order:

- (i) any amount of management fee, the remuneration of the Trustee, the performance fee (if any), the valuation agent's fees, the registrar's agent's fees, the securities

- transaction fee, amortisation of other preliminary expenses and any other expenses accrued but remaining unpaid attributable to the Sub-Fund;
- (ii) the amount of tax, if any, on net capital gains (including any provision made for unrealised capital gains) accrued and remaining unpaid attributable to the Sub-Fund;
  - (iii) the amount in respect of tax, if any, on net capital gains realised prior to the valuation being made as in the estimate of the Managers will become payable attributable to the Sub-Fund;
  - (iv) the aggregate amount for the time being outstanding of any borrowings for the account of the Sub-Fund effected under Clause 18(C) of the Deed together with the amount of any interest and expenses thereon accrued pursuant to Clause 18(C)(v) of the Deed and remaining unpaid;
  - (v) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to income up to the time of calculation of the net asset value of the deposited property of the Sub-Fund;
  - (vi) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received attributable to the Sub-Fund;
  - (vii) any value (whether of an Authorised Investment or cash) otherwise than in USD and any non-USD borrowing shall be converted into USD at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard *inter alia* to any premium or discount which may be relevant and to the costs of exchange; and
  - (viii) where the current price of an Authorised Investment is quoted "ex" dividend, interest or other payment but such dividend, interest or other payment has not been received the amount of such dividend, interest or other payment shall be taken into account.

Where the Sub-Fund is made up of more than one Class, the net asset value of each Class shall be calculated by apportioning the net asset value of the Sub-Fund (determined in accordance with this paragraph and without any deduction or addition for expenses, charges or other amounts which are not common to all the Classes of the Sub-Fund) between the Classes and then deducting from or adding to the value of the portion of the net asset value for each Class any expense, charge or other amount attributable to such Class (including currency hedging costs, if applicable). For the avoidance of doubt, where any expense, charge or other amount payable out of or payable into the net asset value of a Class pursuant to the Deed is attributable only to a particular Class of the Sub-Fund, such amount shall only be deducted from or added to the portion of the net asset value of the Sub-Fund which is attributable to that Class and shall not affect the calculation or the net asset value of the portion or portions of the Sub-Fund attributable to other Classes within the Sub-Fund.

## **20.9 Duration and Termination of the Fund**

- 20.9.1** The Fund constituted by the Deed is of indeterminate duration and may be terminated as provided in Clause 36 of the Deed.
- 20.9.2** Either the Trustee or the Managers may in their absolute discretion terminate the Fund by not less than three months' notice in writing to the other given so as to expire at the end of the accounting period current at the end of the tenth year after the date of the Deed or any year thereafter. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond

any such date conditional on the revision to its or their satisfaction at least three months before the relevant date of its or their remuneration thereunder. In the event that the Fund shall fall to be terminated or discontinued the Managers shall give notice thereof to all investors not less than three months in advance. Subject as aforesaid the Fund shall continue until terminated in the manner hereinafter provided in sub-paragraphs 20.9.3 to 20.9.5.

**20.9.3** Subject to Section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing as 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 is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets;
- (ii) if the Managers shall cease business;
- (iii) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
- (iv) if within the period of three months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee within the terms of Clause 33 of the Deed; and
- (v) if within the period of three months from the date of the Trustee removing the Managers the Trustee shall have failed to appoint new managers within the terms of Clause 34 of the Deed.

The decision of the Trustee in any of the events specified in this paragraph 20.9.3 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 Fund pursuant to this paragraph 20.9.3 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.

**20.9.4** Any sub-fund or Class of a sub-fund may be terminated by the Managers in their absolute discretion by notice in writing as hereinafter provided (i) if the aggregate net asset value of the deposited property of that Sub-Fund or Class of the Sub-Fund shall be less than USD5 million (for Phillip US Dollar Money Market Fund) or (ii) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue that sub-fund or Class of the sub-fund. The Fund may be terminated by the Managers in their absolute discretion by notice in writing hereinafter provided (i) if the aggregate net asset value of the deposited property of all the sub-funds shall be less than SGD5 million or (ii) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund.

**20.9.5** The party terminating the Fund or the relevant sub-fund or Class of the sub-fund shall give notice thereof to the investors fixing the date at which such termination is to take effect which date shall not be less than the relevant period provided in the Deed after the service of such notice and the Managers shall give written notice thereof to the Authority not less than seven days before such termination.

## **20.10 Use of Credit Rating Agencies**

As the Managers may rely on ratings issued by credit rating agencies in any of their investments, the Managers have established a set of internal credit assessment standards and have in place a credit assessment process to ensure that their investments are in line with these standards. Information on the Managers' credit assessment process will be made available to investors upon request.

## **20.11 Liquidation of the Managers, the Trustee or the Custodian**

Subject to the provisions of the Deed, if the Managers or the Trustee go into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation), a new manager or a new trustee (as the case may be) may be appointed or the Fund may be terminated. Please refer to Clauses 33, 34 and 36 of the trust deed for further details.

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

### **Custodial Risks**

There are risks involved in dealing with a custodian who holds the Fund's investments or settles the Fund's trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian, the Fund would be delayed or prevented from recovering its assets from the custodian, or its estate, and may have only a general unsecured claim against the custodian for those assets. In recent insolvencies of financial institutions, the ability of certain customers to recover their assets from the insolvent financial institutions' estate has been delayed, limited, or prevented, often unpredictably, and there is no assurance that any assets held by the Fund with a custodian will be readily recoverable by the Fund. In addition, there may be limited recourse against sub-custodians, if appointed by the custodian, in those situations in which the Fund invests in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, and the assets of the Fund have been entrusted to such sub-custodians.

## **21. Queries and Complaints**

If you have questions concerning the Fund or your investment in the Sub-Fund, you may call the Managers at telephone number (65) 6230 8133.

PHILLIP TREASURY FUND

PROSPECTUS

BOARD OF DIRECTORS OF PHILLIP CAPITAL MANAGEMENT (S) LTD

Signed:



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Lim Hua Min  
Director  
(Signed by Jeffrey Lee Chay Khiong  
for and on behalf of Lim Hua Min)

Signed:



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Linus Lim Wen Sheong  
Director

Signed:



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Jeffrey Lee Chay Khiong  
Director

Signed:



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Lim Wah Sai  
Director  
(Signed by Jeffrey Lee Chay Khiong  
for and on behalf of Lim Wah Sai)

Signed:



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Louis Wong Wai Kit  
Director  
(Signed by Jeffrey Lee Chay Khiong  
for and on behalf of Louis Wong Wai Kit)