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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS)
(COLLECTIVE INVESTMENT SCHEMES)
(AMENDMENT) REGULATIONS 2018

In exercise of the powers conferred by sections 337 and 341 of the Securities and Futures Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Securities and Futures (Offers of Investments) (Collective Investment Schemes) (Amendment) Regulations 2018 and come into operation on 9 July 2018.

Amendment of heading of Part III

2. Part III of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (G.N. No. S 602/2005) (called in these Regulations the principal Regulations) is amended by inserting, immediately after the word “PROSPECTUS” in the Part heading, the words “AND ADVERTISEMENT”.

New regulation 13A

3. The principal Regulations are amended by inserting, immediately after regulation 13, the following regulation:

“Form and content requirements of product highlights sheet

13A.—(1) For the purposes of section 296A(1)(a) of the Act, a product highlights sheet in respect of an offer of units in any of the following collective investment schemes that is made in or

accompanied by a prospectus or profile statement lodged with the Authority on or after 10 December 2018 under section 296(1)(a)(ii) or (2)(b) of the Act, must comply with the requirements in paragraph (2):

- (a) a collective investment scheme (other than a real estate investment trust) that is an exchange traded fund listed on an approved exchange or overseas exchange;
 - (b) a collective investment scheme that is not listed on an approved exchange or overseas exchange.
- (2) For the purposes of paragraph (1), the requirements are —
- (a) the product highlights sheet must —
 - (i) in the case of a collective investment scheme (other than a real estate investment trust) that is an exchange traded fund listed on an approved exchange or overseas exchange —
 - (A) be in the form set out in Part 1 of the Eighth Schedule; and
 - (B) contain a rectangular side bar —
 - (BA) appearing at the rightmost side of each page;
 - (BB) of at least 180 millimetres in width and in the full length of each page;
 - (BC) in the colour Pantone 109C; and
 - (BD) containing the words “PRODUCT HIGHLIGHTS SHEET” that are oriented at 90 degrees clockwise, in typeface Arial, in font size 20-point, and in the colour black;
 - (ii) in the case of a collective investment scheme that is not listed on an approved exchange or overseas exchange, the product highlights sheet must —

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- (A) be in the form set out in Part 2 of the Eighth Schedule; and
 - (B) contain a rectangular side bar —
 - (BA) appearing at the rightmost side of each page;
 - (BB) of at least 180 millimetres in width and in the full length of each page;
 - (BC) in the colour Pantone 109C; and
 - (BD) containing the words “PRODUCT HIGHLIGHTS SHEET” that are oriented at 90 degrees clockwise, in typeface Arial, in font size 20-point, and in the colour black;
 - (iii) contain a description of the key features and risks of the units;
 - (iv) contain a glossary explaining technical terms, if technical terms are used in the product highlights sheet;
 - (v) provide a fair and balanced view of the units;
 - (vi) comply with the following if the product highlights sheet does not contain any diagram or glossary:
 - (A) the product highlights sheet must not be more than 4 pages;
 - (B) each page of the product highlights sheet must not be larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size); and
 - (vii) comply with the following if the product highlights sheet contains one or more diagrams or a glossary:
 - (A) the product highlights sheet must not be more than 8 pages;

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- (B) the number of pages of the product highlights sheet containing information that is not contained in any diagram or glossary must not be more than 4 pages;
 - (C) each page of the product highlights sheet must not be larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size);
- (b) the information in the product highlights sheet, including footnotes and references, must —
- (i) be clearly legible; and
 - (ii) be in a font size of at least 10-point Arial or any other standard font type that is visually equivalent to that font size; and
- (c) the product highlights sheet must not —
- (i) be false or misleading; or
 - (ii) contain any material information that differs in any material particular from the material information set out in the prospectus of the offer of the units.
- (3) Despite paragraph (2)(a)(i)(A) or (ii)(A), the following aspects of the form mentioned in that paragraph may be modified:
- (a) the font colour of the content of the product highlights sheet, including any heading or subheading;
 - (b) the font type and font style of any word or number for the purpose of providing emphasis;
 - (c) the cell colour of any heading or subheading;
 - (d) the addition of one or more headings or subheadings.
- (4) For the purposes of paragraph (2)(a)(vi) and (vii), where a product highlights sheet is printed on both sides of a sheet of paper, each sheet counts as 2 pages.

(5) Without limiting paragraph (2)(a)(v), examples of a product highlights sheet that does not provide a fair and balanced view of the units in a collective investment scheme are set out in paragraph 1 of Part 3 of the Eighth Schedule.

(6) Without limiting paragraph (2)(c)(i), examples of a product highlights sheet that is false or misleading are set out in paragraph 2 of Part 3 of the Eighth Schedule.

(7) Despite paragraphs (2)(c)(i) and (6) (read with paragraph 2 of Part 3 of the Eighth Schedule), a product highlights sheet is not to be treated as false or misleading if the false or misleading information, or omission concerned in the product highlights sheet is not materially adverse from the point of view of the investor.

(8) In paragraph (2)(a)(vi) and (vii), “diagram” includes any graph, chart, flowchart, table or numerical explanation.”.

Amendment of Division heading of Part III

4. Part III of the principal Regulations is amended by deleting the words “for purposes of section 300 of Act” in the heading of Division 2.

New Subdivision (1) of Division 2 of Part III

5. Part III of the principal Regulations is amended by inserting, immediately after the heading of Division 2, the following Subdivision:

“Subdivision (1) — Requirements for advertisements or publications for the purposes of sections 300(3C), 303(3) and 305B(8) of Act

Requirements of advertisement or publication

19A.—(1) For the purposes of sections 300(3C), 303(3) and 305B(8) of the Act, the requirements of an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme that is disseminated or published on or after 10 December 2018 are as follows:

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- (a) the advertisement or publication (as the case may be) is not false or misleading;
 - (b) the advertisement or publication (as the case may be) provides a fair and balanced view of the units;
 - (c) the advertisement or publication (as the case may be) presents information in a clear manner, regardless of whether such information is in text or otherwise;
 - (d) where the advertisement or publication (as the case may be) appears in any medium of communication in visual form, the advertisement or publication (as the case may be) is clearly legible;
 - (e) where the advertisement or publication (as the case may be) appears in any electronic mail or website —
 - (i) the advertisement or publication (as the case may be) is in a font size of at least 10-point Times New Roman or any other standard font type that is visually equivalent to that font size; and
 - (ii) any footnote in the advertisement or publication (as the case may be) is not smaller than —
 - (A) where the font size of the word or statement to which the footnote relates is or is smaller than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size — 10-point Times New Roman or any other standard font type that is visually equivalent to that font size;

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- (B) where the font size of the word or statement to which the footnote relates is larger than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size but smaller than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — half the font size of that word or statement; or
 - (C) where the font size of the word or statement to which the footnote relates is or is larger than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — 14-point Times New Roman or any other standard font type that is visually equivalent to that font size;
- (f) the advertisement or publication (as the case may be) contains the following statement:
- “This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.”;
- (g) where the person disseminating or publishing, or causing the dissemination or publication of the advertisement or publication (as the case may be) is an entity, a manager of a trust or a trustee-manager of a business trust, the advertisement or publication (as the case may be) has been approved by the person specified in regulation 19B in the manner set out in that regulation prior to its dissemination or publication.
- (2) In the case of an advertisement or a publication mentioned in section 300(3C) of the Act that is disseminated or published at the time an offer in respect of units in a collective investment scheme is made, and is broadcast by means of any radio,

television or audiovisual broadcasting service, or shown in any cinema, the statements mentioned in regulation 23(a)(iii) and (iv) must be —

- (a) read audibly if the advertisement or publication (as the case may be) is in audio or audiovisual form; or
- (b) displayed for at least 5 seconds if the advertisement or publication (as the case may be) is only in visual form.

(3) Without limiting paragraph (1)(a), examples of an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme, that is false or misleading are set out in paragraph 1 of the Ninth Schedule.

(4) Without limiting paragraph (1)(b), examples of an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme, that does not provide a fair and balanced view of the units are set out in paragraph 2 of the Ninth Schedule.

(5) Without limiting paragraph (1)(c), examples of an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme, that does not present information in a clear manner are set out in paragraph 3 of the Ninth Schedule.

(6) Without limiting paragraph (1)(d), examples of an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme, that is not clearly legible are set out in paragraph 4 of the Ninth Schedule.

Approval of advertisement or publication

19B.—(1) For the purposes of regulation 19A(1)(g), the advertisement or publication must be approved by —

- (a) the senior management of the person which disseminates or publishes, or causes the dissemination or publication, of the advertisement or publication, as the case may be;

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- (b) an agent of the person mentioned in sub-paragraph (a); or
 - (c) a committee of the person mentioned in sub-paragraph (a).

(2) For the purposes of paragraph (1)(a), the advertisement or publication is approved by the senior management of the person only if every member of the senior management —

- (a) is satisfied that the advertisement or publication (as the case may be) complies with the requirements mentioned in —
 - (i) regulation 19A(1)(a) to (f); and
 - (ii) if the advertisement or a publication (as the case may be) is one that is mentioned in section 300(3C) of the Act and is disseminated or published at the time the offer of units is made, regulation 19A(2);
- (b) records the member's reasons for being so satisfied in writing; and
- (c) gives written approval to the person for the dissemination or publication of the advertisement or publication (as the case may be), together with that member's reasons mentioned in sub-paragraph (b).

(3) For the purposes of paragraph (1)(b), the advertisement or publication is approved by an agent of the person only if the agent —

- (a) is satisfied that the advertisement or publication (as the case may be) complies with the requirements mentioned in —
 - (i) regulation 19A(1)(a) to (f); and
 - (ii) if the advertisement or a publication (as the case may be) is one that is mentioned in section 300(3C) of the Act and is disseminated or published at the time the offer of units is made, regulation 19A(2);

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- (b) records the agent's reasons for being so satisfied in writing; and
 - (c) gives written approval to the person for the dissemination or publication of the advertisement or publication (as the case may be), together with the agent's reasons mentioned in sub-paragraph (b).
- (4) For the purposes of paragraph (1)(c), the advertisement or publication is approved by a committee of the person only if every member of the committee —
- (a) is satisfied that the advertisement or publication (as the case may be) complies with the requirements mentioned in —
 - (i) regulation 19A(1)(a) to (f); and
 - (ii) if the advertisement or a publication (as the case may be) is one that is mentioned in section 300(3C) of the Act and is disseminated or published at the time the offer of units is made, regulation 19A(2);
 - (b) records the member's reasons for being so satisfied in writing; and
 - (c) gives written approval to the person for the dissemination or publication of the advertisement or publication (as the case may be), together with that member's reasons mentioned in sub-paragraph (b).
- (5) In this regulation —
- “agent”, in relation to a person (A), means another person (B) who —
- (a) may or may not be a member of the senior management of A; and
 - (b) is unanimously appointed (being an appointment that is recorded in writing) by all the members of the senior management of A to —

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- (i) determine whether an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme complies with the requirements mentioned in —
 - (A) regulation 19A(1)(a) to (f); and
 - (B) if the advertisement or a publication (as the case may be) is one that is mentioned in section 300(3C) of the Act and is disseminated or published at the time the offer of units is made, regulation 19A(2); and
 - (ii) approve the dissemination or publication of the advertisement or publication (as the case may be) by *A*;

“committee”, in relation to a person, means a group of persons that —

- (a) comprises at least 2 persons, each of whom may or may not be a member of the senior management of the person; and
- (b) is unanimously appointed (being an appointment that is recorded in writing) by all members of the senior management of the person to —
 - (i) determine whether an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme complies with the requirements mentioned in —
 - (A) regulation 19A(1)(a) to (f); and
 - (B) if the advertisement or a publication (as the case may be) is one that is mentioned in section 300(3C) of the Act and is disseminated or published

at the time the offer of units is made,
regulation 19A(2); and

- (ii) approve the dissemination or publication of the advertisement or publication (as the case may be) by the person;

“member of the senior management” —

- (a) in relation to a person which is an entity, means a person for the time being holding the office of —
 - (i) chief executive officer or an equivalent person of the entity; or
 - (ii) executive director or an equivalent person of the entity,

and includes a person carrying out the duties of any such office if the office is vacant; and

- (b) in relation to a person which is a manager of a trust or a trustee-manager of a business trust, means a person for the time being holding the office of —
 - (i) chief executive officer of the manager of the trust or the trustee-manager of the business trust (as the case may be), or an equivalent person of the manager of the trust or the trustee-manager of the business trust, as the case may be; or
 - (ii) executive director or an equivalent person of the manager of the trust or the trustee-manager of the business trust (as the case may be),

and includes a person carrying out the duties of any such office if the office is vacant.

Exemption from regulation 19A(1)

19C.—(1) An advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme need not comply with regulation 19A(1) if —

- (a) the advertisement or publication (as the case may be) is prepared by any of the following persons (each called in this regulation the preparer) for the person who disseminates or publishes, or causes the dissemination or publication, of the advertisement or publication, as the case may be:
 - (i) a specified financial adviser mentioned in paragraph (b) of the definition of “specified financial adviser” in regulation 2(1) of the Financial Advisers Regulations (Cap. 110, Rg 2);
 - (ii) a holder of a capital markets services licence; and
 - (b) prior to the person disseminating or publishing, or causing the dissemination or publication of, the advertisement or publication, as the case may be —
 - (i) the preparer complies with the conditions in paragraph (2); and
 - (ii) the preparer notifies the person in writing that the conditions in paragraph (2) are satisfied.
- (2) For the purpose of paragraph (1)(b), the conditions are —
- (a) where the preparer is a specified financial adviser mentioned in paragraph (1)(a)(i) —
 - (i) the advertisement or publication (as the case may be) is a product advertisement within the meaning of regulation 2(1) of the Financial Advisers Regulations; and
 - (ii) the preparer has complied with regulation 19B(1) of those Regulations as if the preparer were the specified financial adviser

who will disseminate or publish, or cause the dissemination or publication of, the advertisement or publication, as the case may be; or

- (b) where the preparer is a holder of a capital markets services licence —
- (i) the advertisement or publication (as the case may be) is a product advertisement within the meaning of regulation 2 of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10); and
 - (ii) the preparer has complied with regulation 46(1) of those Regulations as if the preparer were the holder who will disseminate or publish, or cause the dissemination or publication of, the advertisement or publication, as the case may be.”.

Renumbering of existing Subdivision (1) of Division 2 of Part III

6. Part III of the principal Regulations is amended by renumbering the existing Subdivision (1) of Division 2 as Subdivision (1A).

Deletion of regulations 21 and 22

7. Regulations 21 and 22 of the principal Regulations are deleted.

New Eighth and Ninth Schedules

8. The principal Regulations are amended by inserting, immediately after the Seventh Schedule, the following Schedules:

“EIGHTH SCHEDULE

Regulation 13A(2)(a)(i)(A) and
(ii)(A), (5), (6) and (7)

PART 1

FORM OF PRODUCT HIGHLIGHTS SHEET FOR UNITS IN A
COLLECTIVE INVESTMENT SCHEME (OTHER THAN A
REAL ESTATE INVESTMENT TRUST) THAT IS
AN EXCHANGE TRADED FUND LISTED ON AN APPROVED
EXCHANGE OR OVERSEAS EXCHANGE

Prepared on: DD/MM/YY

This Product Highlights Sheet is an important document.

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

NAME OF PRODUCT

[Exchange] counter name ([Exchange] stock code)	[•]	[Exchange] Listing Date	[•]
Product Type	[<i>Exchange Traded Fund</i>]	Designated Market Maker	[•]
Manager/Issuer	[•]	Underlying Reference Asset	[•]
Investment Manager [<i>if applicable</i>]	[•]	Traded Currency	[•]
Expense Ratio	[•] (Class A Units) [•] (Class B Units) etc. (retail classes)	Board Lot Size	[•]

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

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - *[State return objectives (for example, capital growth, income or capital preservation) which the product will be suitable for.]*
 - *[State if the principal will be at risk.]*
 - *[State other key characteristics of the product which will help investors determine whether the product is suitable for them, especially unique features, for example, daily resetting of prices.]*

Example:

- The Fund is only suitable for investors who:
 - want capital growth rather than regular income;
 - believe that the XXX index will increase in value; and
 - are comfortable with the greater volatility and risks of an equity fund.

Further Information

Refer to the “[Relevant Section]” of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

[State key features of the product, such as the legal classification of the product, the broad investment objective of the product, whether it intends to offer regular dividends and when those are paid. Describe the underlying index, including how they would affect the payoff. Also describe how the payoff is calculated. Where appropriate, include one or more diagrams or illustrations explaining the features and structure of the product.]

Example:

- You are investing in an Exchange Traded Fund constituted in [place of constitution] that aims to track the XXX index (the “Underlying Index”) by entering into a derivative swap transaction with another party known as the swap counterparty (“Swap Counterparty”).
- The Underlying Index is maintained by [Name of index sponsor] and represents the [for example, leading 500 large-cap companies in the U.S.] The index constituents are reviewed quarterly, and are diversified across all sectors.

[Describe where an investor can find published figures for the value of the index, for example, the index provider’s website. Also describe where more details on the construction methodology or any unique features can be found.]

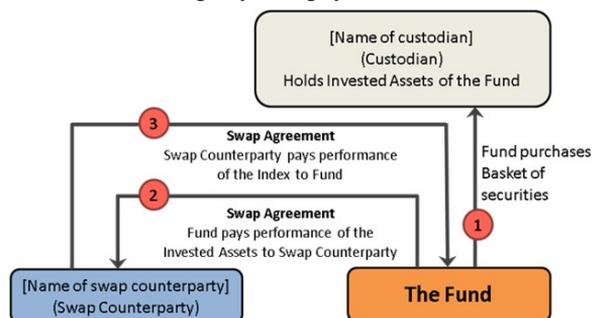
Investment Strategy

[Describe how the product intends to track the index or securities. For instance, if the product uses a representative sampling method or synthetic replication method, describe how this is carried out. If an investment strategy other than the direct investment method is used, explain why. Any processes and structures which introduce significant risk should be included in the description. Include diagrams of the structure of the product or pie charts of asset allocation as at a date near the date of Product Highlights Sheet to show sectoral, country or asset type allocation, if applicable.]

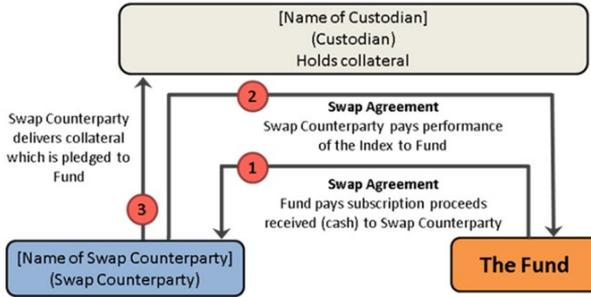
Refer to the “[Relevant Section]” of the Prospectus setting out the description of the investment strategy of the Fund.

Example:

- In order to achieve the investment objective, the Fund may use either or both of the following methods:
 - Method 1: Invest in a basket of securities (step 1 in the diagram below) and exchange the performance of the basket of securities (step 2) with the Swap Counterparty for the performance of the Underlying Index (step 3). If the value of the basket of securities grows by 5% and the underlying index grows by 6%, the Fund will pay the Swap Counterparty 5% and the Swap Counterparty will pay the Fund 6%.



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



Parties Involved

WHO ARE YOU INVESTING WITH?

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

Example:

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

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

KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p><i>[State key risks which are either commonly occurring events, or which may cause significant losses if they occur, or both. While the risks may overlap into multiple categories below, there is no need to repeat the same risk in more than one section. Product-specific market or liquidity risks should be included under the market or liquidity risks section respectively. Where there is a risk that an investor may lose all of his initial principal investment, emphasise this with bold or italicised formatting.]</i></p> <p>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to the “[Relevant Section]” of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<p><i>[State market risks (including currency risks) and counterparty risks which may affect the traded price of the product.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● Market prices for units (“Units”) may be different from their Net Asset Value (NAV). <ul style="list-style-type: none"> ○ The price of any Units traded on the SGX-ST will depend, amongst other factors, on market supply and demand, as well as the prevailing financial market, corporate, economic and political conditions, and their price may be different from the NAV of the Fund. 	

Liquidity Risks

[State the risks that an investor would face in trying to exit the product.]

Example:

- You can redeem your Units with the manager only if you meet the minimum redemption amount of USD\$100,000.
- **The secondary market may be illiquid.**
 - You can sell your Units on the SGX. However, you may not be able to find a buyer on the SGX-ST when you wish to sell your Units. While the Fund intends to appoint at least one market maker to assist in creating liquidity for investors, liquidity is not guaranteed and trading of Units on the SGX-ST may be suspended in various situations.
 - If the Units are delisted from the SGX-ST or if the CDP is no longer able to act as the depository for the Units listed on the SGX-ST, the Units in the investors' securities accounts with the CDP or held by the CDP will be compulsorily repurchased by the Market Maker at a price calculated by reference to the NAV of the Fund calculated as of the second Singapore trading day following the delisting date.

Refer to the "[Relevant Section]" of the Prospectus for situations in which trading of Units may be suspended.

Product-Specific Risks	
<p><i>[State product-specific risks, which include structure-related risks, investment objective related risks, potential legal risks, potential risks leading to tracking errors, etc.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● You are exposed to counterparty risk related to derivative transactions. <ul style="list-style-type: none"> ○ The Fund may enter into derivative transactions (such as swap agreements) and be exposed to the risk that the counterparties to such transactions may default on their obligations. However, the Fund is required to limit its exposure to any single counterparty to 10% of its NAV. ○ If the Swap Counterparty defaults on its obligations, you may sustain a loss on your investment in the Fund. The Fund limits its net exposure to the Swap Counterparty by obtaining collateral from the Swap Counterparty. In the event the Swap Counterparty defaults on its obligations, the value of the Fund will depend on the value of the collateral or basket of securities held. ● You are exposed to the risk that the USD will depreciate in value against the SGD. <ul style="list-style-type: none"> ○ The Fund is denominated and traded in SGD whereas the underlying investments are denominated in USD. Therefore, investors may lose money if the USD were to depreciate against the SGD, even if the market value of the relevant underlying shares actually goes up. ● The Fund, Manager and Custodian are not constituted in Singapore and are governed by foreign laws. Certain investments by the Fund such as swaps are also governed by foreign laws. <ul style="list-style-type: none"> ○ Any winding up of these investments may involve delays and legal uncertainties for Singaporean investors. 	<p>Refer to “[<i>Relevant Section</i>]” of the Prospectus for details on mitigating counterparty risk exposure in the swap agreements and what happens if the Swap Counterparty defaults.</p>

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

[State all fees and charges payable. This includes management fees, distribution fees, and any other substantial fees of more than 0.1% of NAV or of subscription value. Distinguish between fees payable via the investors' investments in the product and fees payable directly by the investors. Indicate if the fees are payable once-off or on a per-annum basis. If fees may later be increased or new fees introduced, such as fees related to the unwinding of investments, state so here. Where there is a master-feeder fund structure, fees payable by the underlying fund should be disclosed. Fees and charges may be disclosed as a range where a master-feeder fund structure has multiple underlying funds.]

Example:

Payable directly by you:

- **For purchases and sales on the SGX-ST:** Normal brokerage and other fees apply. Please contact your broker for further details.

Payable by the Fund from invested proceeds:

Management Fee	○ Up to 0.30% per annum. Currently 0.30% per annum
Trustee Fee	○ 0.10% per annum
Audit Fee, administrative expenses and other miscellaneous fees	○ Up to 0.10% per annum

Refer to the “[Relevant Section]” of the Prospectus for further information on fees and charges.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

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

PART 2

**FORM OF PRODUCT HIGHLIGHTS SHEET FOR UNITS IN A
COLLECTIVE INVESTMENT SCHEME THAT IS NOT
LISTED ON AN APPROVED EXCHANGE
OR OVERSEAS EXCHANGE**

Prepared on: DD/MM/YY

This Product Highlights Sheet is an important document.

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

NAME OF PRODUCT

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

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

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - *[State return objectives (for example, capital growth, income or capital preservation) which the product will be suitable for.]*
 - *[State if the principal will be at risk.]*
 - *[State how long investors should be prepared to hold the investment for products which have lock-in periods.]*
 - *[State other key characteristics of the product which will help investors determine whether the product is suitable for them.]*

Example:

- The Fund is only suitable for investors who:
 - seek capital growth over a period of 3 years or longer;
 - also seek regular income through yearly distributions; and
 - are comfortable with the greater volatility and risks of an equity fund.

Further Information

Refer to the “[Relevant Section]” of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

[State key features of the product, such as the legal classification of the product, the broad investment objective of the product, whether it intends to offer regular dividends and when those are paid. If the product is structured to give specific payoffs due to certain trigger events or scenarios, describe those scenarios and provide scenario analysis and numerical examples. Where appropriate, include one or more diagrams or illustrations explaining the features and structure of the product.]

Example:

- You are investing in a unit trust constituted in [place of constitution] that aims to provide you with returns through long term capital growth by investing in companies set up in the Asia Pacific region.
- You may receive yearly distributions on or around 31 December. The Manager will decide whether a distribution is to be made based on [factors].

Refer to the “[Relevant Section]” of the Prospectus for further information on features of the product.

Investment Strategy

[Describe how the fund intends to achieve its objective. For instance, describe the eligible assets it may invest in and the management philosophy. Any processes and structures which introduce significant risk should be included in the description. Include diagrams of the structure of the fund if the fund is a structured fund, or pie charts of asset allocation as at a date near the date of Product Highlights Sheet to show sectoral, country or asset type allocation, if applicable.]

Example:

- The Fund will invest primarily in shares of companies listed on stock exchanges in the Asia Pacific region. The Fund may hold cash or invest in derivatives instruments for purposes of hedging, reducing cost, reducing risk, or generating capital or income for no or minimal increase in risk.

Refer to the “[Relevant Section]” of the Prospectus for the full diagrams of the structure of the Fund.

Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <p><i>[State all parties involved in the structure of the product, such as the name of the umbrella fund or fund company, manager and sub-manager, swap counterparty, and the trustee or custodian, where applicable.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● The Manager is [●], and the Trustee is [●]. ● The Fund uses [●] as the counterparty for most of its derivative transactions. 	<p>Refer to the “<i>[Relevant Section]</i>” of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p>

KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p><i>[State key risks which are either commonly occurring events, or which may cause significant losses if they occur, or both. While the risks may overlap into multiple categories below, there is no need to repeat the same risk in more than one section. Product-specific market or liquidity risks should be included under the market or liquidity risks section respectively. If fees may later be increased or new fees introduced, such as fees related to the unwinding of investments, state so here.]</i></p> <p>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to the “[Relevant Section]” of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<p><i>[State market risks (including currency risks) and counterparty risks which may result in the loss of capital or affect the payoff of the investment and their consequences.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● You are exposed to the market risks in Asia Pacific markets. <ul style="list-style-type: none"> ○ Your investments may go up or down due to changing economic, political or market conditions that impact the share price of the companies that the Fund invests in. ● You have greater exposure to market risks as this is an equity fund. <ul style="list-style-type: none"> ○ Historically, equities have greater volatility than bonds and other fixed income securities. The Fund’s valuation and the price at which you can exit may correspondingly fluctuate more strongly on a day-to-day basis compared to funds investing in bonds and other fixed income securities. 	

Liquidity Risks	
<p><i>[State the risks that an investor would face in trying to exit the product, for example, limitations on redemption or factors that may delay the payment of redemption proceeds.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● The Fund is not listed and you can redeem only on Dealing Days. <ul style="list-style-type: none"> ○ There is no secondary market for the Fund. All redemption requests should be made to the Manager. 	
Product-Specific Risks	
<p><i>[State product-specific risks, which include structure-related risks, investment objective related risks, potential legal risks, etc.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● You are exposed to derivatives risks. <ul style="list-style-type: none"> ○ The Manager may use derivative instruments, including futures, options, warrants, forwards, swaps or swap options, from time to time in managing the investments of the Fund. ○ The usage of derivatives may negatively impact the value of the Fund and the Fund may suffer greater losses than if the Fund had not used derivatives. ○ At the worst case, you may lose all your funds invested if the Fund is fully exposed to derivative positions that move against the Manager's judgment. 	

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

[State all fees and charges payable. This includes management fees, distribution fees, and any other substantial fees of more than 0.1% of NAV or of subscription value. Distinguish between fees payable via the investors' investments in the fund and fees payable directly by the investors. Indicate if the fees are payable once-off or on a per-annum basis. If fees may later be increased or new fees introduced, state so here. Where there is a master-feeder fund structure, fees payable by the underlying fund should be disclosed. Fees and charges may be disclosed as a range where a master-feeder fund structure has multiple underlying funds.]

Example:

Payable directly by you

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

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

Refer to the “[Relevant Section]” of the Prospectus for further information on fees and charges.

<u>Payable by the Fund from invested proceeds</u>	
<ul style="list-style-type: none"> The Fund will pay the following fees and charges to the Manager, Trustee and other parties: 	
Management Fee (a) Retained by Manager (b) Paid by Manager to financial adviser (trailer fee)	<ul style="list-style-type: none"> 1.5% per annum <ul style="list-style-type: none"> - a% to b% of Management Fee - x% to y%³ of Management Fee
Trustee Fee	<ul style="list-style-type: none"> 0.1% per annum, subject to a minimum of S\$15,000
Accounting and Valuation Fee	<ul style="list-style-type: none"> 0.025% per annum, subject to a minimum of S\$5,000

³ Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

[State how often and where valuations are published, for example, provide a website address or the name of local newspapers where the valuation is published.]

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

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

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

Example:

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

<ul style="list-style-type: none"> • The sale proceeds that you will receive will be the exit price multiplied by the number of units sold, less any charges. An example is as follows: Exit price × Number of units sold = Gross Sale Proceeds S\$1.250 × 1,000 = S\$1,250 Gross Sale Proceeds – Realisation Charge = Net Sale Proceeds S\$1,250 – S\$0.00 = S\$1,250 	
CONTACT INFORMATION	
<p>HOW DO YOU CONTACT US?</p> <p><i>[State contact details of issuers or distributors whom investors can contact if they have enquiries. Include a website address and email address if appropriate.]</i></p>	
APPENDIX: GLOSSARY OF TERMS	
<p><i>[This section should explain terms used in the Product Highlights Sheet which may not be understandable to the average investor. Where possible, issuers should simplify the terms used in the main body of the Product Highlights Sheet instead of explaining them in the glossary.]</i></p> <p>Term: Description</p> <p>Term: Description</p>	

PART 3

PRODUCT HIGHLIGHTS SHEET

1. For the purposes of regulation 13A(5), each of the following product highlights sheets relating to an offer of units in a collective investment scheme does not provide a fair and balanced view of the units:

- (a) a product highlights sheet that contains a statement on any return of the principal sum invested in the units, or benefit of holding the units, but —
 - (i) does not provide an unbiased description of risks associated with the units; or
 - (ii) does not give a proportionate level of prominence to any warning, disclaimer or qualification which is disclosed in relation to that statement;
- (b) a product highlights sheet relating to units in a collective investment scheme that are structured with the objective of returning the full principal sum invested in the units to a holder of those units upon the maturity of those units, but where the return of the full principal sum invested in the units at maturity is not unconditionally guaranteed, and the product highlights sheet does not contain a statement which clearly highlights the fact that the return of the full principal sum invested in the units at maturity is not unconditionally guaranteed;
- (c) a product highlights sheet that contains a representation that the return of all or a part of the principal sum invested in the units, or the rate of return on the collective investment scheme is guaranteed, but —
 - (i) does not state the name of the guarantor; or
 - (ii) does not contain a statement that clearly highlights that while there is a guarantor who guarantees the return of all or a part of the principal sum invested in the units, or the rate of return on the collective investment scheme, there is no assurance that the guarantor will be able to fulfil its obligations under such guarantee;
- (d) a product highlights sheet that contains historical information on the collective investment scheme, but does not contain a statement that the information presented is historical information and that the past performance of the collective investment scheme is not indicative of its future performance;

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- (e) a product highlights sheet that gives the impression that an investor can profit from investing in the units without any risk;
 - (f) a product highlights sheet that suggests that the nature of the units is, or is comparable to, a deposit;
 - (g) a product highlights sheet relating to units in a collective investment scheme, of which the return of the principal sum invested in the units or the rate of return on the collective investment scheme is not guaranteed, but suggests that any of the following risks is low or nil:
 - (i) the risk of the holder of units losing the holder's principal sum invested;
 - (ii) the risk of the holder of units not achieving the stated, targeted or expected rate of return of the holder's principal sum invested;
 - (iii) the risk of the collective investment scheme not achieving the stated, targeted or expected rate of return.

2. For the purposes of regulation 13A(6), each of the following product highlights sheets relating to an offer of units in a collective investment scheme is false or misleading:

- (a) a product highlights sheet that omits any material information on the units and as a result of which, the product highlights sheet or any part of the product highlights sheet is false or misleading;
- (b) a product highlights sheet that contains a false or misleading statement on the offer of units;
- (c) a product highlights sheet that contains information that cannot be justified based on the facts known to the person making the offer of units;
- (d) a product highlights sheet that contains any information, in text or otherwise, that is inaccurate or inconsistent with the nature or risks of the units;
- (e) a product highlights sheet that contains any exaggerated statement, which is calculated to exploit an individual's lack of experience and knowledge;
- (f) a product highlights sheet that contains information which is inconsistent with any information provided by the offeror of the units to the person publishing or disseminating the product highlights sheet;

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- (g) a product highlights sheet that contains or refers to any graph, chart, formula or other device, and represents directly or indirectly, that —
- (i) the graph, chart, formula or device (as the case may be) can, in and of itself, be used to determine which units in a collective investment scheme to buy or sell, or when to buy or sell such units; or
 - (ii) the graph, chart, formula or device (as the case may be) will assist any person in deciding which units in a collective investment scheme to buy or sell, or when to buy or sell such units,
- but does not prominently disclose the limitations, and difficulties in respect of the use, of the graph, chart, formula or device, as the case may be;
- (h) a product highlights sheet that contains any statement to the effect that any report, analysis or other service will be furnished free or without charge, and such report, analysis or service is not in fact or will not in fact be furnished in its entirety and without any condition or obligation.

NINTH SCHEDULE

Regulation 19A(3) to (6)

ADVERTISEMENT OR PUBLICATION

1. For the purposes of regulation 19A(3), each of the following advertisements or publications in respect of an offer or intended offer of units in a collective investment scheme is false or misleading:

- (a) an advertisement or a publication that omits any material information and as a result of which, the advertisement or publication (as the case may be) or any part of the advertisement or publication (as the case may be) is false or misleading;
- (b) an advertisement or a publication that contains a false or misleading statement;
- (c) an advertisement or a publication that contains information that cannot be justified based on the facts known to the person who disseminated or published the advertisement or publication (as the case may be), or caused the advertisement or publication (as the case may be) to be disseminated or published;
- (d) an advertisement or a publication that contains any information, in text or otherwise, that is inaccurate or inconsistent with the nature or risks of the units;
- (e) an advertisement or a publication that contains any exaggerated statement which is calculated to exploit an individual's lack of experience and knowledge;
- (f) an advertisement or a publication that contains information which is inconsistent with any information provided by the issuer of the units to the person who disseminated or published the advertisement or publication (as the case may be), or caused the advertisement or publication (as the case may be) to be disseminated or published;
- (g) an advertisement or a publication that contains or refers to any graph, chart, formula or other device and represents directly or indirectly, that —
 - (i) the graph, chart, formula or device (as the case may be) can, in and of itself, be used to determine which units in a collective investment scheme to buy or sell, or when to buy or sell such units; or

- (ii) the graph, chart, formula or device (as the case may be) will assist any person in deciding which units in a collective investment scheme to buy or sell, or when to buy or sell such units,

but does not prominently disclose the limitations, and difficulties in respect of the use, of the graph, chart, formula or device, as the case may be;

- (h) an advertisement or a publication that contains any statement to the effect that any report, analysis or other service will be furnished free or without charge, and such report, analysis or service is not in fact or will not in fact be furnished in its entirety without any condition or obligation.

2. For the purposes of regulation 19A(4), each of the following advertisements or publications in respect of an offer or intended offer of units in a collective investment scheme does not provide a fair and balanced view of the units:

- (a) an advertisement or a publication that contains a statement on any return of the principal sum invested in the units, or benefit of holding those units, but —
 - (i) does not provide an unbiased description of risks associated with the units; or
 - (ii) does not give a proportionate level of prominence to any warning, disclaimer or qualification which is disclosed in relation to that statement;
- (b) an advertisement or a publication that is in respect of units in a collective investment scheme that are structured with the objective of returning the full principal sum invested in the units to a holder of the units upon the maturity of the units, but where the return of the full principal sum invested in the units at maturity is not unconditionally guaranteed, and the advertisement or publication (as the case may be) does not contain a statement which clearly highlights the fact that the return of the full principal sum invested in the units at maturity is not unconditionally guaranteed;
- (c) an advertisement or a publication that contains a representation that the return of all or a part of the principal sum invested in the units, or the rate of return on the collective investment scheme is guaranteed, but —
 - (i) does not state the name of the guarantor; or

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- (ii) does not contain a statement that clearly highlights that while there is a guarantor who guarantees the return of all or a part of the principal sum invested in the units, or the rate of return on the collective investment scheme, there is no assurance that the guarantor will be able to fulfil its obligations under such guarantee;
 - (d) an advertisement or a publication that contains historical information on the collective investment scheme, but does not contain a statement that the information presented is historical information and that the past performance of the collective investment scheme is not indicative of its future performance;
 - (e) an advertisement or a publication that gives the impression that an investor can profit from investing in the units without any risk;
 - (f) an advertisement or a publication that suggests that the nature of the units is, or is comparable to, a deposit;
 - (g) an advertisement or a publication that is in respect of units in a collective investment scheme of which the return of the principal sum invested in the units or the rate of return on the collective investment scheme is not guaranteed, but suggests that any of the following risks is low or nil:
 - (i) the risk of the holder of the units losing the holder's principal sum invested;
 - (ii) the risk of the holder of the units not achieving the stated, targeted or expected rate of return of the holder's principal sum invested;
 - (iii) the risk of the collective investment scheme not achieving the stated, targeted or expected rate of return.
3. For the purposes of regulation 19A(5), each of the following advertisements or publications in respect of an offer or intended offer of units in a collective investment scheme does not present information in a clear manner:
- (a) an advertisement or a publication in respect of an offer or intended offer of units in a collective investment scheme that presents information (including information in footnotes) in a manner that is not easily understood by —
 - (i) in a case where the advertisement or publication (as the case may be) states the class of persons for whom the advertisement or publication (as the case may be) is intended, a reasonable person belonging to that class of persons; and

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- (ii) in any other case, a reasonable person who may rely on the advertisement or publication, as the case may be;
 - (b) an advertisement or a publication that contains any jargon or technical term, but does not define or explain such jargon or term in a manner that is easily understood by —
 - (i) in a case where the advertisement or publication (as the case may be) states the class of persons for whom the advertisement or publication (as the case may be) is intended, a reasonable person belonging to that class of persons; and
 - (ii) in any other case, a reasonable person who may rely on the advertisement or publication, as the case may be.
4. For the purposes of regulation 19A(6), each of the following advertisements or publications in respect of an offer or intended offer of units in a collective investment scheme is not clearly legible:
- (a) an advertisement or a publication that appears in any document in written or printed form, including any newspaper, periodical, magazine or letter, which —
 - (i) presents information in a font size that is smaller than 10-point Times New Roman, or any other standard font type that is visually equivalent to that font size; or
 - (ii) presents information in any footnote in a font size that is smaller than —
 - (A) where the font size of the word or statement to which the footnote relates is or is smaller than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size — 10-point Times New Roman or any other standard font type that is visually equivalent to that font size;
 - (B) where the font size of the word or statement to which the footnote relates is larger than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size but smaller than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — half the font size of that word or statement; or
 - (C) where the font size of the word or statement to which the footnote relates is or is larger than

29-point Times New Roman or any other standard font type that is visually equivalent to that font size — 14-point Times New Roman or any other standard font type that is visually equivalent to that font size;

- (b) a product advertisement that appears in a form, other than a document mentioned in sub-paragraph (a), which presents information in any footnote in a font size that is smaller than half the font size of the word or statement to which the footnote relates.

5. In this Schedule, unless the context otherwise requires —

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

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

“deposit” means —

(a) where the deposit is accepted by a bank, a deposit as defined in section 4B(4) of the Banking Act; or

(b) where the deposit is accepted by a finance company, a deposit as defined in section 2 of the Finance Companies Act (Cap. 108);

“finance company” has the same meaning as in section 2 of the Finance Companies Act;

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

[G.N. Nos. S 740/2005; S 420/2009; S 179/2010; S 469/2012; S 191/2013; S 494/2014; S 888/2014]

Made on 6 June 2018.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

[CFC CFD 056/2016 Pt2; AG/LEGIS/SL/289/2015/1 Vol. 1]