

**ANNOUNCEMENT – WAIVERS FROM COMPLIANCE WITH CERTAIN RULES OF THE SGX-ST  
LISTING MANUAL**

We, Phillip Capital Management (S) Ltd (the “**Manager**”), the manager of Phillip Legacy Funds (the “**Trust**”) – Phillip SGD Money Market ETF (the “**Sub-Fund**”) wish to announce that pursuant to the application submitted on 12 March 2019 by us as the manager of the Sub-Fund to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the SGX-ST has on 7 April 2020 granted to the Sub-Fund waivers from compliance with the following listing rules under the SGX-ST’s listing manual (the “**Listing Rules**”), and the reasons for seeking the waivers are set out below for investors’ information:

- (1) **Listing Rule 404(1)(a)**, which requires an investment fund denominated in Singapore Dollars to have a minimum asset size of at least S\$20 million.

The Manager understands that the primary reason for having a minimum asset size of S\$20 million is to ensure the liquidity and sustainability of the trading of the Sub-Fund on the SGX-ST.

The Manager has appointed at least one designated market maker (“**DMM**”) for the Sub-Fund for so long as the units of the Sub-Fund (“**Units**”) are listed and traded on the SGX-ST to ensure day-to-day liquidity even if the listing size of the Sub-Fund is less than S\$20 million.

In view of the above, the Manager has requested for a waiver from the requirements of Listing Rule 404(1)(a) in respect of the Sub-Fund, and a waiver thereof was granted by the SGX-ST, subject to the appointment of at least one DMM (approved by the Member Supervision function of the SGX-ST) to make market in the Units to ensure that there will be a ready market for the trading of the Units.

- (2) **Listing Rule 404(3)(a)**, which requires an investment fund denominated in Singapore Dollars to limit its investments in companies which are related to the investment fund’s substantial shareholders, investment managers or management companies, to a maximum of 10% of gross assets.

The Sub-Fund will be open-ended in nature. There is no maximum limit on the number of Units which can be issued to investors and Units may be issued and redeemed on every dealing day of the Sub-Fund. As such, it may not be possible to ascertain the identity of any substantial unitholders of the Sub-Fund, as the Sub-Fund’s total issued Units may be subject to change at any point in time.

In view of the above, the Manager has applied to the SGX-ST for a waiver from the requirement of Listing Rule 404(3)(a) for the Sub-Fund to limit its investments in companies which are related to the



Sub-Fund's substantial unitholders, and a waiver thereof was granted by the SGX-ST, subject to compliance with the relevant requirements under the Code on Collective Investment Schemes (the "**CIS Code**").

- (3) **Listing Rule 404(3)(c)**, which requires an investment fund denominated in Singapore Dollars to restrict investments in unlisted securities to 30% of gross assets.

The Manager understands that the primary reason for this rule is to ensure that the majority of the investments made by the Sub-Fund will be liquid and information relating to the majority of investments made by the Sub-Fund is available to investors.

As the Sub-Fund is a money market fund which is authorised as a collective investment scheme in Singapore, it will have to comply with the applicable investment guidelines and restrictions under the CIS Code. The CIS Code provides that the Sub-Fund may only invest in underlying investments which must meet the requirements as set out under Appendix 2 of the CIS Code.

In view of the above, a waiver from the requirement of Listing Rule 404(3)(c) was granted by the SGX-ST, subject to compliance with the relevant requirements under the CIS Code.

- (4) **Listing Rule 404(4)**, which provides that a newly formed investment fund must not change its investment objectives and policies in the first three years unless approved by a special resolution of the shareholders in a general meeting.

**Listing Rule 617**, which requires (among others), in the case of a newly formed investment fund, a statement in the prospectus that the investment policy will be adhered to for at least three years following the issue of the prospectus, unless otherwise agreed by the shareholders of the investment fund by a special resolution in general meeting.

The Manager does not currently intend to change the investment objective of the Sub-Fund during its first three (3) years. However, there may be instances where the investment policy of the Sub-Fund may need to change pursuant to the requirement of any regulatory authorities or as a result of a change in the applicable laws and regulations or due to changes in market environment or changes in relation to the FTSE SGD 3-month SOR Index (the "**Index**") (e.g. the Index ceases to be compiled or published or if the licence agreement with respect to the Index is terminated for any reason).



Under the CIS Code, the manager of a Singapore authorised collective investment scheme is required to inform the Monetary Authority of Singapore (the “**MAS**”) and existing participants of the scheme of any significant change to be made to the scheme (including a change in the investment objective or focus of the scheme or investment approach of the manager) not later than one month before the change is to take effect.

The Manager had therefore requested that in the circumstances where during the first three years following the issue of the first prospectus of the Sub-Fund, a change of the investment objective and policy is required pursuant to the requirement of any regulatory authority in Singapore or elsewhere or pursuant to the change in the laws and regulations in any jurisdiction or if the change of the investment objective or policy is not material, such change of the investment policy would not require the approval of unitholders by extraordinary resolution in general meeting. To require a special resolution by unitholders in general meeting to approve any change of investment policy (including non-material changes), would be administratively cumbersome, inefficient, time consuming and costly to the Sub-Fund.

In view of the above, the Manager has requested for a waiver from the requirements of Listing Rules 404(4) and 617 in respect of the Sub-Fund, and a waiver thereof was granted by the SGX-ST to the extent that unitholders’ approval should be sought unless (i) the change of the investment objective or policy is required pursuant to the requirement of any regulatory authority in Singapore or elsewhere or pursuant to the change in the laws and regulations in any jurisdiction or (ii) the change of the investment objective or policy is not material.

- (5) **Listing Rules 705(1), 705(3)(b) and 705(4)**, which provide (amongst others) that an issuer must announce the financial statements for the first half and the full financial year immediately after the figures are available, but in any event not later than 45 or 60 days respectively after the relevant financial period.

As provided in the Prospectus and in accordance with the relevant provisions of the CIS Code, (i) the annual accounts of the Sub-Fund and the annual reports of the Sub-Fund for the relevant financial year will be made available on the Manager’s website within three (3) months of the financial year-end of the Trust and (ii) the semi-annual report and semi-annual unaudited accounts of the Sub-Fund will be made available on the Manager’s website within two (2) months of the end of the period covered by the relevant report and accounts.

In view of the above, the Manager has requested for a waiver from the requirements of Listing Rules 705(1), 705(3)(b) and 705(4) in respect of the Sub-Fund, and a waiver thereof was granted by the SGX-ST, provided that the Sub-Fund must announce via SGXNET its semi-annual and full year financial results within two months and three months after the end of the relevant financial period respectively.

- (6) **Listing Rule 748(1)**, which provides that an investment fund must announce via SGXNET its net tangible assets per share or per unit at the end of each week.

As the Manager will post the net asset value (the “NAV”) per Unit of the Sub-Fund for each dealing day on its website at the end of each dealing day, the Manager has requested for a waiver from the requirements of Listing Rule 748(1) in respect of the Sub-Fund, and a waiver thereof was granted by the SGX-ST, subject to the Manager providing the NAV per Unit, the sale and redemption price of Units and the dealing days to which the NAV per Unit and the prices relate, at the website of the Manager and an announcement on the NAV per Unit on SGXNET at the end of each week.

- (7) **Listing Rule 748(4)**, which provides that an investment fund must seek shareholders’ approval for any change of the investment manager.

The trust deed of the Trust (the “**Trust Deed**”) provides for the retirement and removal of the manager of the Trust, whereby the manager can be removed following an extraordinary resolution passed by unitholders. Under the Trust Deed, the manager of the Trust can also be removed by notice in writing given by the trustee of the Trust in any of the events set out therein. In any of such events, the trustee shall appoint another corporation as the new manager of the Trust, in accordance with the provisions of the Trust Deed.

In addition, under the Trust Deed, upon giving not less than 90 days’ written notice to the trustee, the manager shall have power to retire in favour of another manager considered by the trustee to be suitably qualified. Similarly, although the retirement of the manager will not require unitholders’ approval, the manager may only retire if a new manager is appointed to replace the manager.

In view of the above, the Manager has requested for a waiver from the requirement of Listing Rule 748(4) in respect of the Sub-Fund, and a waiver thereof was granted by the SGX-ST, subject to the Manager providing an undertaking that, where unitholders’ approval is not required for any change of the investment manager in the situations provided for in the Trust Deed or pursuant to the CIS Code, prior notification will nonetheless be given to investors via SGXNET and to the MAS.