



**GLOBAL INVESTMENTS LIMITED**  
(Company Registration No. 38267)  
(A mutual fund company incorporated with limited liability in Bermuda)

SGX-ST Release

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**PROPOSED CHANGE IN MANAGER**

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1 April 2016

Global Investments Limited (the “**Company**”) wishes to announce that it has today entered into a novation and amendment and restatement agreement (the “**Novation Agreement**”) with ST Asset Management Ltd. (“**STAM**”), the current manager of the Company, and Singapore Consortium Investment Management Limited (“**SICIM**”) pursuant to which, with effect from the date shareholders of the Company (“**Shareholders**”) approve the change in the manager of the Company from STAM to SICIM (the “**Effective Date**”):

- (a) the Company appoints SICIM as the manager of the Company in place of STAM and releases and discharges STAM from all obligations, claims and demands whatsoever under or in respect of the management agreement dated 24 September 2009 made between the Company and STAM (the “**Original Management Agreement**”) and the liability of STAM thereunder;
- (b) SICIM assumes the rights and benefits and undertakes the obligations of STAM under the Original Management Agreement; and
- (c) the Company and SICIM agree to amend and restate the Original Management Agreement (such amended and restated agreement, the “**Amended and Restated Management Agreement**”).

The directors of the Company have decided to convene a special general meeting to be held on 29 April 2016 to seek Shareholders approval for, among other things, the proposed change in the manager. Rule 748(4) of the listing manual of the SGX-ST (the “**Listing Manual**”) provides that an investment fund must seek shareholders’ approval for any change of the investment manager. In addition, as SICIM is indirectly wholly-owned by Mr Boon Swan Foo, the Chairman of the Company, the proposed appointment of SICIM as manager of the Company and the entry into of the Novation Agreement will be an interested person transaction under Chapter 9 of the Listing Manual and requires the approval of Shareholders. A circular to Shareholders (the “**Circular**”) containing, *inter alia*, details of the proposed change in the manager and the terms of the Novation Agreement has been dispatched to Shareholders today.

Approval from the Bermuda Monetary Authority for the proposed change in the manager was obtained on 10 February 2016.

## Background and Rationale

STAM has informed the Company that its business strategy has changed and that its current focus is on the management of funds of its related companies. As part of its winding down of the management of the funds of its external clients, STAM has notified the Company of its desire to relinquish its appointment as the manager of the Company and has proposed that SICIM be appointed as the new manager of the Company by way of the Novation Agreement.

The independent directors of the Company (the “**Independent Directors**”) have accepted SICIM’s proposal and are agreeable to the appointment of SICIM as the new manager of the Company, subject to the approval of the Shareholders. The Independent Directors believe that the appointment of SICIM as the new manager of the Company would be in the best interests of Shareholders, and did not consider other candidates to replace STAM, taking into consideration the following:

- (a) SICIM’s in-depth knowledge of the Company.

Mr Boon Swan Foo is the sole owner, Chairman and Chief Executive Officer of Allgrace Investment Management Private Limited (“**AIM**”). Mr Boon’s involvement with the Company started in November 2009, where pursuant to a consultancy agreement between Mr Boon and STAM, he provided investment advisory services to STAM in relation to the management of the assets of the Company in his capacity as representative of STAM. In addition, he was appointed as a Manager Nominated Director and Chairman of the Company on 25 November 2009. He subsequently became non-executive Director and non-independent Chairman of the Company with effect from 20 December 2011.

Mr Boon remained as a Representative and consultant of STAM until July 2013, when the aforesaid consultancy agreement between Mr Boon and STAM was novated to AIM. AIM was established by Mr Boon on 18 October 2011. Since 16 July 2012, STAM had also delegated the performances of certain services under the Original Management Agreement to AIM, including administrative, risk management, compliance and corporate secretarial services (the “**Delegated Services**”).

On 29 December 2015, AIM acquired all the shares in the capital of SICIM which resulted in the transfer of all of the assets, staff and business operations of AIM to SICIM (the “**Acquisition**”). Pursuant to the Acquisition, AIM’s rights and obligations under the respective agreements in relation to the Delegated Services were novated to SICIM and the Delegated Services have been performed by SICIM since 29 December 2015.

- (b) The experience and expertise of SICIM's officers.

The officers of SICIM (who were previously the officers of AIM) have been performing the Delegated Services since 16 July 2012. Further, the key officers of SICIM have the experience and the expertise in managing assets similar to the assets of the Company. Through their frequent interaction with the officers of SICIM and review of the Delegated Services performed by SICIM, the Independent Directors acknowledge the skills and competencies of SICIM's officers and believe that SICIM has the experience and expertise to take over the management of the Company from STAM.

- (c) SICIM's holding of a capital markets services licence issued by the Monetary Authority of Singapore (the "MAS") to carry on business in fund management for retail investors.
- (d) SICIM having agreed to accept all the terms of the Original Management Agreement.

The Amended and Restated Management Agreement does not change the substantive terms of the Original Management Agreement and, in particular, does not change the scope of the services to be provided by the manager and the fees payable to the manager of the Company.

- (e) SICIM's intention to appoint STAM as its consultant upon the effective date of its appointment as the new manager of the Company for a period of six months, to ensure a smooth transition. STAM's fees for acting as SICIM's consultant will be solely borne by SICIM.
- (f) Continuity in the management of the Company.

Based on all of the above factors, there would be continuity in management of the assets of the Company with minimal disruption which is the key factor in the decision of the Independent Directors to appoint SICIM as the new manager of the Company in place of STAM.

- (g) Alignment of interest.

Mr Boon Swan Foo is the single largest Shareholder, holding 11.31% of the ordinary shares of par value S\$0.01 each in the capital of the Company as at the date of this Announcement. SICIM is indirectly wholly-owned by Mr Boon Swan Foo, who is also the Chairman and Chief Executive Officer of SICIM. Thus there would be alignment of the interest between SICIM and the Shareholders.

#### **Details of the Proposed Manager**

SICIM was incorporated in 1996 by a consortium of the asset management arms of six of the largest banks in Singapore. It was set up with the aim of carrying on business in fund management for retail investors and in particular to manage the Singapore Index Fund, an open-ended equity index tracking fund constituted in the same year.

The original owners of SICIM were OCBC Asset Management Limited, DBS Asset Management Ltd, Keppel Bank of Singapore Limited, OUB Asset Management Ltd, Tat Lee Bank Limited and UOB Asset Management Ltd. The Singapore Index Fund is registered with the MAS as a collective investment scheme and has been listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 1996.

SICIM is currently wholly-owned by AIM following the Acquisition. Mr Boon Swan Foo is the sole owner, Chairman and Chief Executive Officer of AIM. Prior to 29 December 2015, SICIM was owned by Nikko Asset Management International Limited, UOB Asset Management Ltd and Oversea-Chinese Banking Corporation Limited in equal proportions.

The board of directors of SICIM comprises Mr Boon Swan Foo, Mr Richard Rokmat Magnus, Ms Tan Hui Keng Martha, Mr See Yong Kiat and Mr Frederick Lai Yao Long.

#### **Statement of the Audit Committee**

Deloitte & Touche Corporate Finance Pte Ltd (the “**IFA**”) has been appointed as the independent financial adviser to the Independent Directors in relation to the proposed appointment of SICIM as the manager of the Company on the terms of the Amended and Restated Management Agreement and the entry into of the Novation Agreement. The opinion of the IFA (the “**IFA Letter**”) is set out in the Circular.

Having considered the opinion of the IFA as set out in the IFA Letter and the rationale for the proposed change in the manager of the Company, the audit committee of the Company is satisfied that the appointment of SICIM as the manager of the Company on the terms of the Amended and Restated Management Agreement, and the terms of the Novation Agreement, are based on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

#### **Existing Interested Person Transactions**

Details of the existing interested person transactions entered into by the Company in the current financial year (excluding transactions below S\$100,000) and up to the date of this Announcement are set out below:

	<b>Aggregate value of all interested person transactions (\$'000)</b>
Transactions with STAM:	
Base management fees	1,948
Incentive fees	2,840
Fixed management fees	650
Other fees and reimbursement of expenses	298
Divestment fees	861
Reimbursement of expenses from STAM	36

BY ORDER OF THE BOARD  
**Global Investments Limited**

Date: 1 April 2016

**Further Information:**

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**About Global Investments Limited**

<http://www.globalinvestmentslimited.com>

Global Investments Limited (“GIL”) is a mutual fund company incorporated in Bermuda that provides investors access to a diversified portfolio of assets and economic exposures. GIL is managed by ST Asset Management Ltd.