

GUIDANCE NOTE 1

Date issued: 28 April 2004

Issued Pursuant to the Guidelines on Unit Trust Funds

- In relation to the eligibility requirement for a guarantor of a guaranteed fund

Introduction

1. This Guidance Note is published to notify a policy amendment in relation to the eligibility requirement for a guarantor of a guaranteed fund currently stipulated in Clause 2.0(3) of Schedule C – Appendix III of the Guidelines on Unit Trust Funds (Guidelines).
2. Nothing contained herein should be construed as prejudicing the powers of the Securities Commission under the Guidelines.

Policy Amendment

3. Clause 2.0(3) currently read as follows:

“The guarantor must have a minimum long term rating that indicates highest safety for timely repayment of financial obligations and have favourable credit profile by any global or domestic rating agency.”

4. Under this Guidance Note, Clause 2.0(3) will now be amended to read as follows:

“The guarantor must have a minimum long term rating that indicates adequate safety for timely payments of financial obligations and have adequate credit profile by any global or domestic rating agency.”