

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 units in 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.

DAIWA FTSE SHARIAH JAPAN 100 (THE “FUND”)

SGX counter name (SGX stock code)	F1F	SGX-ST Listing Date	27 May 2008
Product Type	Exchange-Traded Fund	Designated Market Maker	Daiwa Securities Capital Markets Co. Ltd. (Société Générale with effect from 19 December 2011)
Management Company/Issuer (the “Manager”)	Daiwa Asset Management (Singapore) Ltd.	Underlying Reference Asset (the “Index”)	FTSE Shariah Japan 100 Index
Expense Ratio (for the financial year ended 31 December 2010)	0.94%	Traded Currency	US dollars

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - seek exposure to the performance of the largest and most liquid Shariah compliant companies in Japan by tracking the performance of the Index which has a high equity risk profile and exposure to, *inter alia*, market risks linked to movements (including declines) in the Index, and which net asset value (“NAV”) of the Fund may have a high volatility due to the potential volatility of the Index;
 - are prepared to lose some or all of the total capital invested as no particular strategy is implemented to ensure that investors will get back their original investment or capital;
 - are comfortable with investing in a fund where its investment activities will be performed in accordance with the Shariah Investment Guidelines (as described in the Prospectus of the Fund); and
 - with respect to distribution, understand that in the event that the Shariah Adviser is of the opinion that certain income or dividend generated by the Fund are considered to be non “pure” by the Shariah Adviser (i.e. non-Shariah compliant), are comfortable for such income or dividend to be “purified”, (i.e. by taking such non “pure” amount out from the Fund and donating the non “pure” amount to charity(ies) as may be selected by the Manager and the Shariah Adviser). Therefore, the amount to be distributed to investors will be derived from the net income of the Fund (post purification by the Fund of such non “pure” amount as mentioned in the foregoing).

Further Information

Refer to the “Investment Objective / Product Suitability” section on Pg 9, “Risk Factors” section on Pgs 37-44 and “Distribution Policy” section on Pg 34 of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

- You are investing in an Exchange Traded Fund constituted in Singapore as a standalone unit trust that aims to track the Index by using a “passive” or indexing investment approach, in order to seek an investment performance which closely corresponds, before expenses, to the performance of the Index. **Investors should note that the NAV of the Fund may have a high volatility due to the potential volatility of the Index as the Fund is seeking to track the performance of the Index.**

Refer to the “Daiwa FTSE Shariah Japan 100” section on Pgs 8 and 9, “The Index” section on Pgs 10-11 and Appendices I and II of the Prospectus for further information.

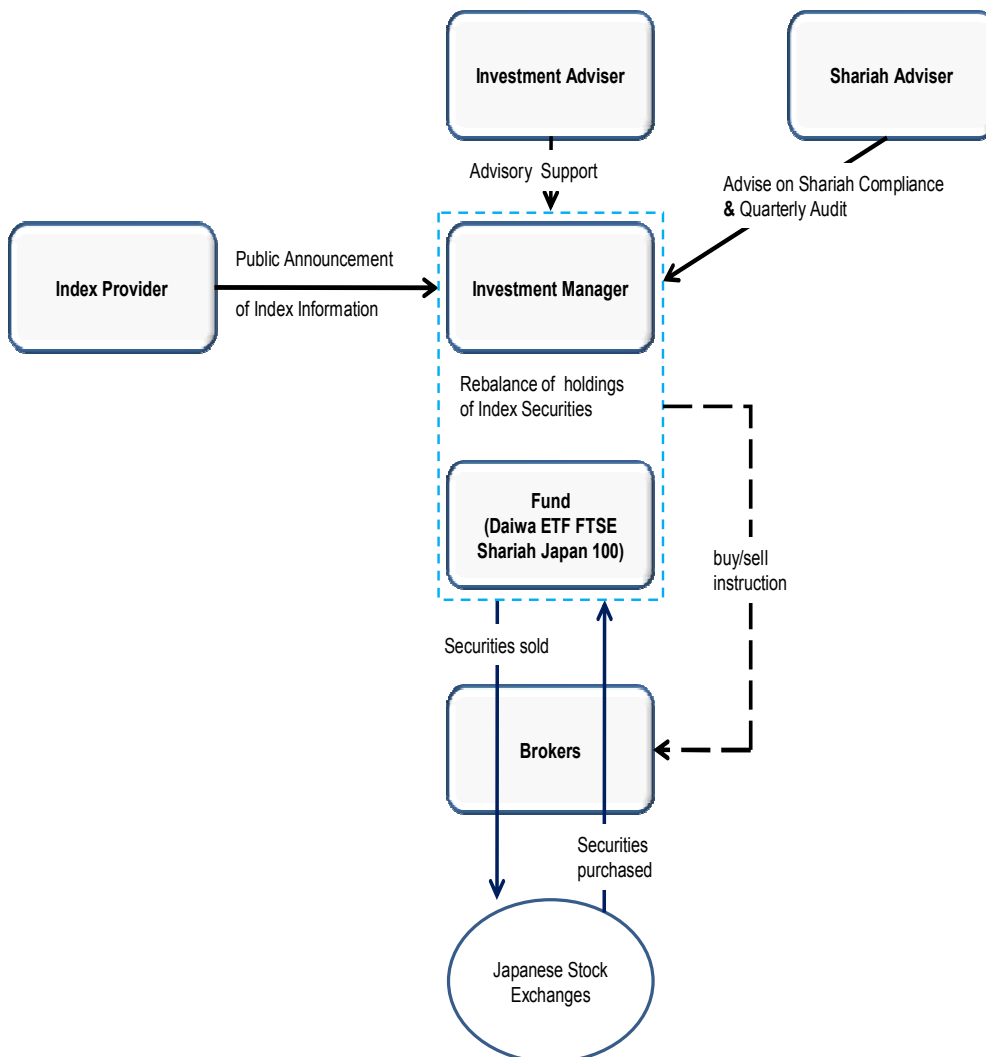
¹ The Prospectus is accessible at www.daiwa-am.com.sg. Investors may also obtain copy of the Prospectus from the Manager, whose details can be found on the last page of this PHS. Unless the context otherwise requires, terms defined in the Prospectus shall have the same meaning when used in this PHS.

- The Index is an index launched by FTSE in association with Yasaar Limited. The Index represents the performance of the largest and most liquid Shariah compliant companies based on the FTSE Global Equity Index Series comprising of Large and Mid Cap Japanese companies. Constituents are assessed using Yasaar Limited’s Shariah screening methodology. The Index is calculated in real time every 15 seconds denominated in Japanese Yen at the end of on each day where each of the relevant Recognised Stock Exchange in Japan on which the constituent securities comprising the Index (the “**Index Securities**”) are listed is open for normal trading.

Investment Strategy

- The Manager will generally adopt a full replication strategy by investing all or substantially all of its assets in the constituents of the Index, broadly in proportion to the respective weightings of the constituents in the Index.
- However, various circumstances may make it impossible or impracticable to purchase each Index Security with the exact weightings. Hence, a representative sampling strategy may be adopted instead, whereby the Fund will hold a representative sample of a portfolio of securities selected by the Manager using quantitative analytical models. The Manager will then seek to construct the portfolio of the Fund so that, in the aggregate, its capitalisation, industry and fundamental investment characteristics perform like those of the Index.
- The constituent Index Securities and respective weightings in the Index will change from time to time. In order for the Fund to achieve its investment objective of tracking the Index, it will be necessary for the Manager to rebalance Fund’s holdings of Index Securities comprised in the Index. The Manager will utilise public information announced by the Index Provider and rebalance the holdings of Index Securities.
- The diagram below represents the rebalancing of the Fund’s holdings of Index Securities following the rebalancing of the Index.

Refer to the “Investment Focus and Approach” section on Pg 10 and “Index Rebalancing” section on Pgs 21-22 of the Prospectus for further information on the investment strategy of the Fund.



Parties Involved

WHO ARE YOU INVESTING WITH?

- The Manager of the Fund is Daiwa Asset Management (Singapore) Ltd..
- The Manager has also appointed Daiwa Asset Management Co. Ltd. as investment adviser.
- The Manager has appointed Yasaar Limited as the Shariah adviser of the Fund.
- The trustee and custodian of the Fund is DBS Trustee Limited.

Refer to “Manager” section on Pgs 12-14, “Investment Adviser” section on Pgs 15-18, “Shariah Adviser” section on Pg 18, “Trustee /Custodian” section on Pgs 18-19 of the Prospectus for information on the role and responsibilities of these entities.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

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:

Refer to “Risk Factors” and “Risk Factors Relating to the Index” sections on Pgs 37-44 of the Prospectus for further information.

Market and Credit Risks

• Market prices for Units may be different from their NAV

- The NAV of the Units represents the fair price for buying or selling Units. As with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV. There is a risk, therefore, that Unitholders may not be able to buy or sell at a price close to this NAV. The deviation from NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on the SGX-ST. 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 Units.

Refer to the “Market Risk” section on Pg 38, and “Units may trade at prices other than at Net Asset Value” section on Pg 41 of the Prospectus for further information.

• The NAV of the Units is subject to market risks and fluctuations

- The NAV of the Units will change with changes in the market value of the Index Securities the Fund holds. The price of Units and the income from them may go down as well as up. Investment in the Fund involves risks, such as market fluctuations caused by factors like economic and political developments, changes in interest rates and foreign exchange. A decline in the value of the Index can therefore be expected to result in a similar decline in the NAV of the Units.

Liquidity Risks

• Minimum redemption size and redemption is through Participating Dealers only

- Units may only be redeemed in Application Unit sizes (currently 1,000,000 Units or whole number multiples thereof; with effect from 19 December 2011, 125,000 Units or whole number multiples thereof) via Participating Dealers who are under no obligation to agree to do so on behalf of any investor. Therefore, Units may not be redeemed, directly through the Manager by the investors. The willingness of a Participating Dealer to redeem Units may depend upon, but is not limited to, that Participating Dealer’s ability to sell the relevant Index Securities as well as any agreement which may be reached between the investor and the Participating Dealer. In addition, the Participating Dealers will not be able to redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities through the CDP is disrupted or the Index is not compiled or published. Investors who do not hold Application Unit sizes may only realise the value of their Units by selling their Units on the SGX-ST.

Refer to the “Creation and Redemption through Participating Dealers only” section on Pgs 40-41, “Minimum creation and redemption size” on Pg 42 and “Trading in Units on the SGX-ST may be suspended or Units may be delisted from the SGX-ST” section on Pgs 41-42 of the Prospectus for further information.

• 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.
- The Manager may delist the Units from the SGX-ST in such manner as it may determine appropriate, subject to the requirements of the SGX-ST, the governing laws, regulations and rules affecting the Fund (if any). 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, Holders will be notified of such intention to delist and the applicable delisting procedure (as may be determined by the Manager in consultation with the Trustee, SGX-ST and CDP) prior to such delisting.

Product-Specific Risks

• Shariah Investment Guidelines

- The Fund's investment activities will be performed in accordance with the Shariah Investment Guidelines. As a consequence, the Fund may be required to undertake or dispose of investments in circumstances that are less advantageous than might otherwise be the case for other investment funds that do not seek to adhere to Islamic investment criteria. The Manager may not be allowed to make certain investments which, in the opinion of the Shariah Adviser, are not or are no longer, in compliance with the Shariah Investment Guidelines. E.g. cash balances held by the Fund from time to time may be deposited on terms which may grant less favourable or no return on the sum deposited or certain income or dividend which are considered to be non "pure" by the Shariah Adviser for being non-Shariah compliant may be required to be "purified" by donating them to charity(ies) such that the net amount being distributed to Unitholders may be less than in the case where the Fund is not a Shariah compliant fund.

• You are exposed to foreign exchange risk.

- The base currency of the Fund is USD. The Units are currently listed, quoted and dealt in on the SGX-ST in USD. If your functional currency is in SGD, you will be exposed to the foreign exchange risks for investing in the Fund.
- In addition, as the Fund's investments are generally invested in Japanese securities such that a substantial portion of the revenue and income of the Fund may be received in a currency other than the Fund's base currency of US dollars, any fluctuation in the exchange rate of the US dollar relative to the relevant foreign currency will affect the NAV of the Fund. As the Fund's NAV is determined on the basis of the US dollar, you may lose money if the Japanese Yen depreciates against the US dollar, even if the value of that Index Security in Japanese Yen actually goes up. The Manager will not hedge against such foreign currency exposure.

• Investments in Index Securities or securities may be governed by foreign laws.

- Any winding up of these investments may involve delays and legal uncertainties for Singaporean investors.

Refer to "Shariah Investment Guidelines" on Pg 38, "Appendix III – Shariah Investment Guidelines" on Pgs 67-68, "Foreign Exchange Risk" section on Pgs 39-40 and "Foreign Security and Foreign Law Risk" section on Pg 39 of the Prospectus for details.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by investors:

Fees and charges payable by investors dealing or trading the Units on the SGX-ST are summarised below:

Brokerage	Market rates. Investors to bear brokerage fees charged by their stockbrokers.
Clearing fee	Currently the clearing fee for trading Units on the SGX-ST is at the rate of 0.04% of the transaction value, subject to a maximum of S\$600 per transaction, subject to the prevailing GST (currently 7%).
Trading fee	Currently the trading fee for trading Units on the SGX-ST is 0.0075% of the transaction value, subject to the prevailing GST (currently 7%).

Payable directly by Participating Dealers:

Fees and charges payable by or on behalf of Participating Dealers* in respect of the Fund are summarised below:

Creation of Units:	
Transaction Fee [#] (applicable for each Creation Application)	US\$ 1,300 per Application.
Application Cancellation Fee [#] (only if applicable)	US\$ 2,100 per Application.
Partial Delivery Request Fee [#] (only if applicable)	US\$ 2,100 per Application.
Redemption of Units:	
Transaction Fee [#] (applicable for each Redemption Application)	US\$ 2,100 per Application.
Application Cancellation Fee [#] (only if applicable)	US\$ 2,100 per Application.

[#] Please refer to the Prospectus for details of the Transaction Fee and Application

Cancellation Fee in respect of the creation and redemption of Units and the Partial Delivery Request Fee in respect of creation of Units that are applicable to the Participating Dealers.

* Investors who wish to subscribe for or redeem their Units in the primary market through the Participating Dealer should note that the abovementioned fees payable by the Participating Dealer in the Creation of Units and Redemption of Units will ultimately be passed on and borne by the investors. Investors should note that there may be brokerage fees and other charges in addition to the abovementioned fees that may be imposed by the Participating Dealer to the investors for assisting with the Application. Investors should consult the Participating Dealer for the applicable terms and conditions for assisting them with their Application. The Participating Dealer is under no obligation to accept instructions to create or redeem Units on behalf of any investors.

Payable by the Fund:

Fees and charges payable by the Fund from invested proceeds are summarised below:

Manager's fee**	Currently 0.75% per annum. Maximum 1.00% per annum.
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** The Trustee's fee up to maximum of 0.1% per annum will be paid by the Manager and will not be charged to the Fund. The fees of the Custodian, Investment Adviser, Index Provider and Auditors and the ongoing fees of the Shariah Adviser, will also be borne by the Manager and will not be charged to the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

All enquiries about the Fund should be directed to the Manager at:

Address : Daiwa Asset Management (Singapore) Ltd.
3 Phillip Street #16-04, Commerce Point, Singapore 048693
Hotline No. : 6223 6712
Fax No. : 6223 8629
Email : etf@daiwa-am.com.sg