

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.

UNITED SGD FUND (the “Sub-Fund”), a sub-fund of United Choice Portfolios II

Product Type	Unit Trust	Inception Date	<u>Class A Units</u> 19 June 1998 <u>Class B Units</u> Not incepted yet.
Managers	UOB Asset Management Ltd	Custodian	BNP Paribas Securities Services, Singapore Branch
Trustee	BNP Paribas Trust Services Singapore Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the financial year ended 31 December 2011	<u>Class A Units</u> 0.59% <u>Class B Units</u> Not incepted yet.

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Sub-Fund is only suitable for investors who seek to achieve a yield enhancement over Singapore dollar deposits

Further Information
Refer to Para 15 on Pg 4 of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

- You are investing in a unit trust constituted in Singapore that aims to provide you with a yield enhancement over Singapore dollar deposits by investing substantially all its assets in money market and short term interest bearing debt instruments and bank deposits.
- At the end of every accounting period, the Managers shall in their absolute discretion, determine if any distribution is to be made to you in respect of that period and the date for that distribution (if any).

Refer to Para 15 to 17 and 46 on Pg 4 and 19 of the Prospectus for further information on features of the product.

¹ The Prospectus is available from the Managers (whose operating address is at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624) or their authorised agents or distributors or through the Managers' website at uobam.com.sg.

Investment Strategy	
<ul style="list-style-type: none"> ● The Managers intend to achieve the investment objective of the Sub-Fund by investing substantially all the assets of the Sub-Fund in money market and short term interest bearing debt instruments and bank deposits. ● The Managers' research process is fundamental and valuation driven, and bottom-up in approach. ● For Singapore, Asia and emerging markets, the Managers' team of credit analysts conducts a detailed credit analysis that evaluates industry outlook, business review, financial review, management expertise, strength of ownership and specific debt structure. This results in an implied rating score. Relative valuation will determine corporate credit selection. ● For rated issuers, mainly US/Europe high grade issuers, to supplement the fundamental analysis by their G10 credit team, the Managers have implemented a quantitative credit risk approach based from the KMV model. This model uses the Merton option framework to calculate the implied asset volatility or the Expected Default Frequency (EDF) of any corporate bond issue. Other inputs include an asset correlation database, which is generated from a proprietary risk management system. Together, the model will calculate the return-expected loss trade off for any corporate bond issue. ● <i>The Sub-Fund may use or invest in financial derivative instruments for the purposes of hedging existing positions in a portfolio or for efficient portfolio management or a combination of both purposes.</i> 	<p>Refer to Para 15 to 17 and 22.4 on Pg 4 and 7 of the Prospectus for further information on the investment focus and approach of the Sub-Fund and its exposure to financial derivative instruments.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> ● The Managers are UOB Asset Management Ltd ● The Trustee/registrar is BNP Paribas Trust Services Singapore Limited. ● The Custodian is BNP Paribas Securities Services, Singapore Branch 	<p>Refer to Para 7 to 12 on Pg 2 and 3 of the Prospectus for further information on the role and responsibilities of these entities.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>The value of the Sub-Fund and its distributions (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to Para 21 and 22 on Pg 7 of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<ul style="list-style-type: none"> ● You are exposed to the market risk in the global markets where the Sub-Fund invests. <ul style="list-style-type: none"> ○ Prices of securities that the Sub-Fund invests in may be affected by changes in economic conditions, interest rates and the market's perception of the securities which in turn may affect the value of your investment. ● You are exposed to credit and default risks. <ul style="list-style-type: none"> ○ Adverse changes in the financial condition of the issuer of the debt securities which the Sub-Fund is invested in, or in general economic conditions, or both, or an unanticipated rise in interest rates, may increase the potential for default. 	
Liquidity Risks	
<ul style="list-style-type: none"> ● The Sub-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 Sub-Fund. All realisation forms should be submitted to authorised agents or distributors of the Managers. ● You are exposed to liquidity risk in the Sub-Fund's investments. <ul style="list-style-type: none"> ○ Investments by the Sub-Fund in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity. 	
Product-Specific Risks	
<ul style="list-style-type: none"> ● You are exposed to interest rate risk. <ul style="list-style-type: none"> ○ The Sub-Fund's investments in debt securities may be subject to the risk of interest rate fluctuations which may cause the prices of debt securities to go up or down. 	

- **You are exposed to political risk.**
 - The investments of the Sub-Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the relevant countries.
- **You are exposed to derivatives risk.**
 - The Sub-Fund may invest in derivatives, including foreign exchange forward contracts and equity index future contracts. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If the required margin is not provided within the prescribed time, the Sub-Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.
- **Other risks to your investment include foreign exchange risk, the risk of investing in small capitalisation companies and single country, sector or region risk.**

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

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

Subscription Fee	<u>Class A Units</u> <ul style="list-style-type: none"> ○ Currently 2% (maximum 5%) for cash and SRS investment ○ Currently 2% (maximum 3%) for CPF investment <u>Class B Units</u> <ul style="list-style-type: none"> ○ Currently 2% (maximum 5%) for cash investment
Realisation Charge	○ Currently NIL
Switching Fee	○ Currently 1% (maximum 1%)

- The authorised agents and distributors of the Managers through whom you subscribe for Units may impose other fees and charges that are not disclosed in the Prospectus. You should check with the relevant agents or distributors on such fees and charges, if any.

Payable by the Fund from invested proceeds

- The Sub-Fund will pay the following fees and charges from its assets to the Managers, Trustee and other parties:

Management Fee	○ Currently 0.5% per annum for Class A Units and 0.3% per annum for Class B Units (maximum 1.5% per annum)
Trustee Fee	○ Currently below 0.05% per annum (maximum 0.1% per annum); Subject to a maximum of S\$45,000 per annum
Valuation and Accounting Fee	○ Based on a tiered structure
Registrar and Transfer Agent Fee	○ Based on a tiered structure
Audit Fee, Custodian Fees and other fees and charges	○ Subject to agreement with the relevant parties. Each of the fees and charges may amount to or exceed 0.1% per annum depending on the proportion that it bears to the NAV of the Sub-Fund.

Refer to Para 20 on Pg 5 of the Prospectus for further information on fees and charges.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The issue and realisation prices of Units will generally be published 2 Business Days after the relevant Dealing Day in The Straits Times, The Business Times, Lianhe Zaobao and such other local or foreign publication as the Managers may decide upon and can also be obtained from the Managers' website at uobam.com.sg or any other website designated by the Managers (if applicable) or by calling the Managers' 24-hour hotline number.

Refer to Para 23.3, 29 to 32 and 34 on Pg 10, 13 to 14 and 15 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?

- You can exit the Sub-Fund on any Dealing Day by submitting a realisation form to any authorised agents or distributors of the Managers. If applicable to you and you wish to exit the Sub-Fund within the cancellation period of 7 calendar days from the time of your subscription, you may do so by submitting a cancellation form and you will not incur the subscription fee and fees stated above. However you will have to take the risk of any price changes in the NAV of the relevant Class of the Sub-Fund since your subscription and pay any bank charges, administrative or other fee imposed by the relevant agent or distributor.
- You will normally receive the realisation proceeds within four Business Days from the Dealing Day on which your realisation form is received and accepted.
- The realisation price of your Units is determined as follows:
 - If you submit the realisation form by 3pm on a Dealing Day, you will be paid a price based on the NAV of the relevant Class of the Sub-Fund as at the Valuation Point of that Dealing Day.
 - If you submit the realisation form after 3pm on a Dealing Day or on a day not being a Dealing Day, you will be paid a price based on the NAV of the relevant Class of the Sub-Fund as at the Valuation Point of the next Dealing Day.
- The net realisation proceeds that you will receive will be the realisation price of the relevant Class of the Sub-Fund multiplied by the number of Units realised, less any charges. An example is as follows:

1,000 Units	x	S\$0.900	=	S\$900.00 Gross
Your realisation request		Notional Realisation price		Realisation Proceeds
S\$900.00 Gross Realisation Proceeds	-	S\$0.00 Realisation Charge (0%)	=	S\$900.00 Net Realisation Proceeds

CONTACT INFORMATION

HOW DO YOU CONTACT US?

UOB Asset Management Ltd

24 hour Hotline No : 1800 22 22 228

Fax No : 6532 3868

Email : uobam@uobgroup.com

APPENDIX: GLOSSARY OF TERMS

Business Day:	Any day (other than a Saturday or Sunday or a gazetted public holiday) on which commercial banks in the Republic of Singapore are open for business or any other day as the Managers and the Trustee may agree in writing.
Class:	A class of units in the Sub-Fund.
Dealing Day:	In connection with the issuance, cancellation, valuation and realisation of Units of the Sub-Fund, every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the approval of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all the holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day in relation to the Units of the Sub-Fund, the recognised stock exchange on which investments or other property comprised in, and having in aggregate values amounting to at least 50 per cent of the deposited property of the Sub-Fund (as at the relevant Valuation Point) are quoted, listed or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.
NAV:	Net asset value.
Units:	Units in the Sub-Fund.
Valuation Point:	The close of business of the last relevant market in relation to the relevant Dealing Day on which the NAV of the Sub-Fund or a Class of the Sub-Fund is to be determined pursuant to the provisions of the trust deed constituting the Sub-Fund (as amended) or such other time on the relevant Dealing Day or such other day as the Managers with the approval of the Trustee may from time to time determine and the Trustee shall determine if holders should be informed of such change.