

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 EUROPEAN SMALL AND MID CAP FUND

(the “Fund”)

Product Type	Unit Trust	Inception Date	10 April 2000
Managers	UOB Asset Management Ltd	Custodian	State Street Bank and Trust Company
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for year ended 30 June 2011	2.78%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - o seek long term capital growth
 - o are comfortable with the risks of a fund which invests in small and medium capitalisation securities of corporations listed, domiciled or having substantial operations in Europe

Further Information
Refer to paragraph 8.1 on page 3 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 whose investment objective is to achieve long term capital growth mainly through investing in small and medium capitalisation securities of corporations listed, domiciled or having substantial operations in Europe.
- The Fund does not aim to make regular distributions.

Refer to paragraphs 8.1, 8.2 and 22.3 on page 3 and 18 of the Prospectus for further information on features of the product.

Investment Strategy

- The main focus of the Fund will be on long term growth and the Fund will invest in small and medium capitalisation companies where valuation levels can be justified. Stock selection is mainly based on growth expectation, quality of management and profitability.
- The Fund may use or invest in financial derivative instruments for purposes of hedging existing positions in a portfolio, efficient portfolio management or a combination of both purposes.

Refer to paragraph 8.2 on page 3 of the Prospectus for further information on the investment strategy 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 appointed agents or distributors or through the Managers' website at uobam.com.sg.

Parties Involved	
WHO ARE YOU INVESTING WITH?	
<ul style="list-style-type: none"> ● The Managers are UOB Asset Management Ltd. ● The Trustee is HSBC Institutional Trust Services (Singapore) Limited. ● The Custodian is State Street Bank and Trust Company. 	Refer to paragraphs 2, 3 and 6 on pages 2 and 3 of the Prospectus for further 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 paragraph 10 on page 7 of the Prospectus for further information on risks of the product.
Market and Credit Risks	
<ul style="list-style-type: none"> ● You are exposed to the market risks in the markets where the Fund invests. <ul style="list-style-type: none"> ○ Prices of the securities that the 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. 	
Liquidity Risks	
<ul style="list-style-type: none"> ● The 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 Fund. All realisation requests should be made to the Managers or its authorised agents or distributors. 	
Product-Specific Risks	
<ul style="list-style-type: none"> ● You are exposed to the risk of investing in a European regional fund. <ul style="list-style-type: none"> ○ Investments in a regional fund may be subject to higher risk as it may be less diversified than a global portfolio. ● You are exposed to small and medium capitalisation companies risk. <ul style="list-style-type: none"> ○ Investments in small and medium capitalisation companies generally carry greater risk than larger capitalisation companies (for example, less public information, more limited financial resources and products, greater volatility, higher risk of failure and less liquidity), which may result in greater volatility in the share prices of small and medium capitalisation companies. ● You are exposed to political risk. <ul style="list-style-type: none"> ○ Investments by the Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation and other restrictions and controls imposed by the relevant authorities. ● You are exposed to liquidity risk in the Fund's investments. <ul style="list-style-type: none"> ○ Investments by the Fund in some emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity. ● You are exposed to risks relating to derivatives. <ul style="list-style-type: none"> ○ The 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 Funds's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. <p>Other risks to your investment include foreign exchange risk, exceptional market conditions risk and actions of institutional investors.</p>	

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 amount:

Subscription fee	Currently 5%, maximum 5%.
Realisation charge	Currently none; maximum 2%.
Switching fee	Currently 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 this document. You should check with the relevant agent or distributor on such fees and charges, if any.

Payable by the Fund from invested proceeds

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

Annual management fee	Currently 1.75%; maximum 2%.
Annual trustee remuneration	Currently not more than 0.05% (subject always to a minimum of S\$5,000); maximum 0.2%.
Annual valuation fee	Currently 0.2%; maximum 0.2%.
Annual registrar and transfer agent fees	The higher of S\$15,000, or 0.125%. (subject always to a maximum of S\$25,000).
Audit fee, custodian fee and other fees and charges	Subject to agreement with the relevant parties. Each fees and charges may exceed 0.1% p.a., depending on the proportion that each fee bears to the NAV of the Fund.

Refer to [paragraph 9.1](#) on page 6 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 and foreign publications as the Managers may decide upon and can also be obtained from the Managers' website at uobam.com.sg or by calling the Managers' 24-hour hotline number.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- You can exit the Fund on any Dealing Day by submitting a realisation form to any agent or distributor authorised by the Managers. If applicable to you and you wish to exit the 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 Fund since your subscription and pay any bank charges, administrative or other fee imposed by the distributor.
- You will normally receive the realisation proceeds within 6 Business Days from the Dealing Day on which your realisation request is received and accepted.
- Your realisation price is determined as follows:
 - If you submit the realisation request by 3pm on a Dealing Day, you will be paid a price based on the NAV of the Fund as at the Valuation Point of that Dealing Day.
 - If you submit the realisation request 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 Fund as at the Valuation Point of the next Dealing Day.

Refer to [paragraphs 11, 13 and 15](#) on pages 8, 11 and 14 of the Prospectus for further information on valuation and exiting from the product.

<ul style="list-style-type: none"> The net realisation proceeds that you will receive will be the realisation price multiplied by the number of Units realised, less any charges. An example is as follows: 																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">1,000 Units</td> <td style="width: 5%; text-align: center;">x</td> <td style="width: 25%;">S\$0.900</td> <td style="width: 5%; text-align: center;">=</td> <td style="width: 40%;">S\$900.00</td> </tr> <tr> <td>Your realisation request</td> <td></td> <td>Notional realisation price</td> <td></td> <td>Gross realisation proceeds</td> </tr> <tr> <td>S\$900.00</td> <td style="text-align: center;">–</td> <td>S\$0.00</td> <td style="text-align: center;">=</td> <td>S\$900.00</td> </tr> <tr> <td>Gross realisation proceeds</td> <td></td> <td>Realisation charge (0%)</td> <td></td> <td>Net realisation proceeds</td> </tr> </table>		1,000 Units	x	S\$0.900	=	S\$900.00	Your realisation request		Notional realisation price		Gross realisation proceeds	S\$900.00	–	S\$0.00	=	S\$900.00	Gross realisation proceeds		Realisation charge (0%)		Net realisation proceeds
1,000 Units	x	S\$0.900	=	S\$900.00																	
Your realisation request		Notional realisation price		Gross realisation proceeds																	
S\$900.00	–	S\$0.00	=	S\$900.00																	
Gross realisation proceeds		Realisation charge (0%)		Net realisation proceeds																	
CONTACT INFORMATION																					
HOW DO YOU CONTACT US?																					
<p><u>UOB Asset Management Ltd</u> 24 hour Hotline No : 1800 22 22 228 Fax No : 6532 3868 Email : uobam@uobgroup.com</p>																					
APPENDIX: GLOSSARY OF TERMS																					
Business Day	A day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.																				
Dealing Day	In connection with the issuance, cancellation, valuation and realisation of Units, means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the prior consultation of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day, the recognised stock exchange or over-the-counter or over-the-telephone market on which investments of the Fund having in aggregate values amounting to at least 50% of the Value of the assets of the Fund (as at the relevant Valuation Point) are quoted, listed or dealt in is not open for normal trading, the Managers may determine with the prior consultation of the Trustee that that day shall not be a Dealing Day.																				
NAV	Net asset value.																				
Units	Units in the Fund.																				
Valuation Point	The close of business of the last relevant market in relation to the relevant Dealing Day on which the assets of the Fund is to be determined or such other time as the Managers may determine with the prior approval of the Trustee who shall decide if a notice to notify the holders of such determination is required to be given by the Managers.																				