

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 or purchase units on the SGX-ST in the manner set out in the Prospectus.

UNITED SSE 50 CHINA ETF

(the “Sub-Fund”),
a sub-fund of UETF

SGX counter name (SGX stock code)	UETF SSE50 CHINA100 (JK8)	SGX-ST Listing Date	26 November 2009
Product Type	Exchange-Traded Fund	Designated Market Maker	BNP Paribas Arbitrage SNC
Management Company	UOB Asset Management Ltd (the “Managers”)	Underlying Reference Asset	SSE 50 Index
Expense Ratio (as at 30 June 2016)	4.14%	Traded Currency	Singapore Dollars

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Sub-Fund is only suitable for investors who:
 - o seek investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50 Index;
 - o are comfortable with the volatility and risk of a fund where index performance is replicated through the use of financial derivatives.

Refer to Para 7.4 on Pg 10 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 that aims to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50 Index by investing in participatory notes (“P-Notes”).
- The SSE 50 Index is managed by China Securities Index Co., Ltd. and comprises the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange. The composition of the SSE 50 Index is reviewed once every 6 months in June and December each year.
- The Sub-Fund does not intend to make regular distributions.

Refer to Para 1.1 on Pg 1, Para 5.4 on Pg 5 and Para 7 on Pg 6 of the Prospectus for further information. Published figures for the value of the SSE 50 Index can be obtained from inter alia www.sse.com.cn.

¹ The Prospectus is available at our operating office at 80 Raffles Place, 3rd Storey, UOB Plaza 2, Singapore 048624 or through our authorised agents, distributors and participating dealers for the Fund during normal business hours or through our website at uobam.com.sg.

Investment Strategy	
<ul style="list-style-type: none"> In order to achieve its investment objective, the Sub-Fund invests in P-Notes, a type of market access product. Each P-Note is linked to a composite portfolio comprising a notional underlying basket of A-Shares designed to track as closely as possible, before fees, costs and expenses (including any taxes and withholding taxes), the performance of the SSE 50 Index. The Sub-Fund is currently invested into P-Notes issued by BNP Paribas Arbitrage Issuance B.V. (“BNP”) under its Warrant and Certificate Programme governed by English laws. The Sub-Fund is currently invested into 2 tranches of P-Notes (Tranches A and B). The Tranche A P-Notes are linked to a notional underlying basket of A-Shares held by us under our QFII quota provided via hedging arrangements. The Tranche B P-Notes are linked to a notional underlying basket of A-Shares held by other QFIIs under their QFII quota provided via hedging arrangements. The Sub-Fund may in the future invest in other tranches of P-Notes issued by BNP. A diagram illustrating the current investment strategy of the Sub-Fund (with BNP as the only P-Notes issuer to the Sub-Fund) is set out below: 	<p>Refer to Para 7 on Pg 6 and Para 9.2.4 on Pg 17 of the Prospectus for further information including on the diagram illustrating the investment strategy of the Sub-Fund.</p>
<p>Typical Flow of the Sub-Fund</p> <pre> graph TD Investors[Investors] -- Units --> SubFund[Sub-Fund] SubFund -- "Deliver P-Notes linked to 'Composite Portfolio'" --> BNP[BNP] BNP --> PNotesA["P-Notes Tranche A (Issued by BNP)"] BNP --> PNotesB["P-Notes Tranche B (Issued by BNP)"] PNotesA -- "China 'A'-Shares Returns" --> HedgingA["'A'-Shares Hedging Arrangements via UOBAM QFII"] PNotesB -- "China 'A'-Shares Returns" --> HedgingB["'A'-Shares Hedging Arrangements via other QFII"] HedgingA --> ReturnsA["China 'A'-Shares Returns"] HedgingB --> ReturnsB["China 'A'-Shares Returns"] ReturnsA --> PNotesA ReturnsB --> PNotesB </pre> <p>The P-Notes are linked to a Composite Portfolio(s) constructed by UOBAM to track the SSE 50 Index and reflect the credit risk of BNP and other relevant risks through their value.</p> <p>Key: ↓ Subscription monies</p>	
<ul style="list-style-type: none"> The Sub-Fund may also use or invest in financial derivative instruments (“FDIs”) for the purposes of hedging existing positions in a portfolio, efficient portfolio management, optimising returns of the Sub-Fund, or a combination of such purposes. 	
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> The Managers are UOB Asset Management Ltd. The Trustee is State Street Trust (SG) Limited. The custodian/registrars are State Street Bank and Trust Company, acting through its Singapore branch. The P-Notes issuer to the Sub-Fund is currently BNP. 	<p>Refer to Para 1.1 on Pg 1, Para 2 on Pg 1, Para 3 on Pg 4, Para 7.2.3 on Pg 7 and Para 9.2.2 and Para 9.2.3 on Pgs 17 and Para 9.2.22 on Pg 22 for further information on these entities and what happens if the P-Notes issuer becomes insolvent.</p>

KEY RISKS	
WHAT ARE THE KEY RISKS OF THIS INVESTMENT? 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:	Please refer to Para 9 on Pg 16 of the Prospectus for further information.
Market and Credit Risks	
<ul style="list-style-type: none"> ● You are exposed to market risks of A-Shares. <ul style="list-style-type: none"> ○ Exposure of the Sub-Fund is concentrated in a particular market (i.e. A-Shares comprising the SSE 50 Index). Market volatility, lack of a liquid trading market and settlement difficulties in the A-Share markets may adversely affect the net asset value (“NAV”) of the Sub-Fund. ● You are exposed to foreign exchange risks. <ul style="list-style-type: none"> ○ The Sub-Fund is denominated and traded in SGD, its P-Notes are denominated in SGD and the A-Shares are denominated in CNY. The NAV of Units will fluctuate with changes in the market value of the Sub-Fund’s investments and changes in the exchange rate between (i) SGD and USD; (ii) USD and CNY; and (iii) CNY and SGD. You may lose money if the CNY or USD were to depreciate against the SGD even if the market value of the relevant A-Shares actually goes up. We currently do not intend to hedge such foreign currency exposure of the Sub-Fund. ● You are exposed to trading risks. <ul style="list-style-type: none"> ○ The market prices of Units on SGX-ST may trade above or below the NAV of Units and there is a risk that you may not be able to buy or sell Units at a price close to the NAV. 	
Liquidity Risks	
<ul style="list-style-type: none"> ● You are not able to redeem Units directly with us. <ul style="list-style-type: none"> ○ You must approach a participating dealer (whether directly or through a stockbroker) to assist you with your redemption application to us. ○ The minimum amount for redemptions with us is 500,000 Units. If you do not hold at least this amount, you can only realise the value of your Units by selling them on the SGX-ST. ● The secondary market may be illiquid. <ul style="list-style-type: none"> ○ You can sell your Units on the SGX-ST. However, the listing of Units on the SGX-ST does not guarantee a liquid market for the Units. You may not be able to find a buyer on the SGX-ST when you wish to sell your Units. While the Sub-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. 	
Product-Specific Risks	
<ul style="list-style-type: none"> ● You are exposed to counterparty risks related to the Sub-Fund’s P-Notes investments. <ul style="list-style-type: none"> ○ The Sub-Fund will be exposed to the credit risk of the P-Notes issuer. As the Sub-Fund currently has 1 P-Notes issuer (i.e. BNP), the Sub-Fund may be subject to over-concentration risks of having a single counterparty and be exposed to a higher level of risk than portfolios diversifying their holdings across different issuers. ○ Any default by BNP of its obligations under the P-Notes will have an adverse impact on the NAV of the Sub-Fund. ○ To limit the Sub-Fund’s net exposure to BNP, BNP will charge and assign collateral posted by BNP (in a Hong Kong trust/custodial account), to the Trustee as trustee for the Sub-Fund. ○ In the event BNP defaults on its obligations (e.g. due to winding-up or liquidation), security rights may be enforced against BNP. 	

- **The current P-Note issuer to the Sub-Fund is not constituted in Singapore and is governed by foreign laws. The P-Notes held by the Sub-Fund are also governed by foreign laws.**
 - The current P-Note issuer, BNP, is established under the laws of the Netherlands and is governed by Dutch laws.
 - Enforceability of the P-Notes will be dependent on, amongst other considerations, their validity under their governing law i.e. English law.
 - Enforceability of security rights against BNP may be governed by Dutch law (the law of the jurisdiction in which BNP is established) and Hong Kong law (as the trust/custodial account is maintained in Hong Kong and as the governing law of the security deed). The NAV of the Sub-Fund will be adversely affected to the extent that such security is not effectively enforced.
- **You are exposed to the risk that the duration of the Sub-Fund may be limited.**
 - The P-Notes currently held by the Sub-Fund are of limited duration (scheduled to mature on 8 November 2017) and the duration of the Sub-Fund depends on, amongst other things, the ability of the Sub-Fund to continue investing in P-Notes after the term of the P-Notes currently held by the Sub-Fund. The P-Notes may also be redeemed early upon the occurrence of certain events under the terms and conditions of the P-Notes and the Sub-Fund may suffer a substantial loss on its investment in the P-Notes in such an event. *You should therefore note that you may not get back your original investment in the Sub-Fund.*
- **You are exposed to risks relating to the QFII investment quota.**
 - The investment quota of a QFII may be restricted, suspended or halted which may adversely affect the supply of P-Notes available to the Sub-Fund. This may result in the Sub-Fund being unable to create further Units and/or cause Units to trade at a premium to its NAV.
- **You are exposed to tracking error risk.**
 - Tracking error occurs when funds are unable to track exactly the performance of their underlying indices. Due to its investment structure, the Sub-Fund may experience greater tracking error than typical exchange traded index funds.
- **You are exposed to derivatives risks.**
 - The Sub-Fund will use or invest in P-Notes which are FDIs and may also invest in other FDIs, including options, swaps and warrants. An investment in a FDI may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in FDIs are monitored closely. We have the controls for investments in FDIs and have in place systems to monitor the derivative positions of the Sub-Fund.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you:

The Participating Dealers and/or stockbrokers through whom you purchase Units may impose other fees and charges that are not disclosed in the Prospectus. You should check with the relevant Participating Dealer and/or stockbroker on such fees and charges, if any.

- (a) For dealing or trading on the SGX-ST: SGX-ST clearing fee of 0.0325% of the contract value (subject to goods and services tax (“GST”)), SGX-ST trading fee of 0.0075% of the contract value (subject to GST) and brokerage fees and charges apply. Please contact your stockbroker for further details.
- (b) Subscriptions / redemptions through Participating Dealers (either directly or through stockbrokers): 0.3% of the transaction value, subject to a minimum of S\$3,000. Additional fees and charges (including brokerage fees and charges) of the relevant Participating Dealer and/or stockbroker may apply. Please contact the relevant Participating Dealer and/or stockbroker for further details.

Payable by the Sub-Fund from invested proceeds:

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

Managers’ fee	Currently 0.45% per annum (Maximum 1.50% p.a.) of the NAV of the Sub-Fund
Trustee fee	Currently not more than 0.05% per annum of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Manager and Trustee) Maximum 0.25% per annum of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Manager and Trustee)
Valuation and accounting fee	0.05% per annum of the NAV of the Sub-Fund
Maintenance and other fees	Currently 0.30% per annum of the average net asset value of the composite portfolio
P-Notes transaction fee	Currently 0.40% per transaction
Audit fees, arrangement fee and other fees and charges (including Index Provider fee)	Subject to agreement with the relevant parties. Each of the fees and charges may amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the Sub-Fund’s NAV

The redemption value of the P-Notes will take into account, amongst other things, charges including unwinding of hedge positions and (in the case of an early redemption) early redemption unwind costs.

Please refer to Para 8 on Pg 12 of the Prospectus for further information on fees and charges.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

UOB Asset Management Ltd

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