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26 January 2023

<u>NOTICE TO UNITHOLDERS OF:</u>

- **United Sustainable Credit Income Fund** (a sub-fund of United Global Select Portfolios) **(the "Fund")**

Dear Unitholder

ADDITIONAL DISCLOSURES ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") FACTORS

Thank you for investing in the Fund, which is managed by us, UOB Asset Management Ltd ("**UOBAM**").

The Fund invests all or substantially all of its assets into the RobecoSAM SDG Credit Income (the "**Underlying Fund**"), a sub-fund of the Robeco Capital Growth Funds.

We are writing to inform you that (i) the investment objective of the Underlying Fund will be amended and (ii) the investment focus and approach of the Underlying Fund will be enhanced with the additional ESG disclosures, in the manner set out in Appendix 1 to this letter from **28 February 2023** (the "**Effective Date**").

The updates comprise further disclosures on the Underlying Fund's ESG focus and strategy. In addition, the risks associated with the Underlying Fund's ESG strategy set out in Appendix 2 shall apply to the Fund.

For the avoidance of doubt, there is no change to the investment objective, focus and approach of the Fund.

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The following options are available to you:

<u>Option 1</u>
You may continue holding your units in the Fund ("**Units**"). If you choose to do so, no action is required of you.

<u>Option 2</u>
You may switch your Units (at the prevailing net asset value per Unit) to units in any other authorised collective investment scheme managed by us (each a "**UOBAM Fund**" and collectively, the "**UOBAM Funds**"), subject to the provisions on switching of units in the trust deed and the prospectus of the Fund, and the trust deed and prospectus of the relevant UOBAM Fund you wish to switch into.

Applications for switching of Units may be made by submitting the relevant form to any of our authorised agents or distributors.

Units purchased using supplementary retirement scheme ("**SRS**") monies ("**SRS Units**") may only be switched to UOBAM Funds which are available for subscription using SRS monies.

This document is not to be construed as an offer of units in any UOBAM Fund and does not constitute investment advice or a recommendation on any investment. Before deciding whether to switch your Units to units in any of the UOBAM Funds, you should read the prospectus of the relevant UOBAM Fund carefully and consult your financial adviser to help you assess the suitability of the relevant UOBAM Fund for you. Electronic copies of the prospectuses of the UOBAM Funds are available at http://www.uobam.com.sg, and hard copies may be obtained from us or any of our authorised agents or distributors.

Option 3

You may realise your Units by submitting a completed realisation form to any of our authorised agents or distributors. Please note that the realisation of your Units is subject to the provisions of the trust deed and prospectus of the Fund. Currently, there is no realisation charge imposed for realisations of Units.

If you maintain an account directly with UOBAM (and not through one of our authorised agents or distributors), please contact us at our number set out at the end of this letter by **15 February 2023** for assistance on switching your Units and we will refer you to one of our authorised agents or distributors to effect the switch.

If you choose either Option 2 or Option 3 between **26 January 2023** and **22 February 2023** (both days inclusive) (the "**Switching Period**"), there will be no switching fee or any other fees and charges imposed in respect of Units purchased using cash or SRS Units. In addition, you will not be required to bear any SRS operator charges for SRS Units. If you wish to use this free switch, you may approach the authorised agent or distributor from whom you originally purchased your Units during the Switching Period. For the avoidance of doubt, normal fees and charges (including the prevailing switching fee of 1%) will apply for switches of units before or after the Switching Period.

The above change will be reflected in an updated prospectus of the Fund to be registered with the Monetary Authority of Singapore on or around the date of this notice. Thereafter, you may obtain a copy of it from us or any of our authorised agents or distributors, or from our website at uobam.com.sg.

This notice is for your information only. You do not need to take any action. These changes have no effect on your current holding of Units.

We look forward to your continued support. Should you have any queries, please call our hotline number at 1800 222 2228 from 8 a.m. to 8 p.m. daily (Singapore time) or email us at uobam@uobgroup.com.

Yours sincerely

Rachel Ong
Executive Director | CMO

Appendix 1

Updates to the Fund

In this Appendix, all terms used shall have the same meaning as the prospectus of the Fund.

From the Effective Date: (i) the existing investment objective of the Underlying Fund will be amended to the new investment objective as set out in point 1 below; and (ii) the additional disclosures relating to the Underlying Fund as set out in points 2 and 3 below will be included in Appendix 3 of the prospectus of the Fund:

1. Investment objective of the Underlying Fund

The investment objective of the Underlying Fund is to provide long term capital growth while at the same time promoting certain ESG characteristics and integrating sustainability risks in the investment process.

2. Investment focus and approach of the Underlying Fund

The Underlying Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector. The Underlying Fund strives for economic results, while at the same time taking into account environmental, social and governance characteristics.

The Underlying Fund takes explicitly into account the contribution of a company to the United Nations Sustainable Development Goals (SDG). The portfolio is built on the basis of the eligible investment universe and an internally developed SDG framework for mapping and measuring SDG contributions. The Underlying Fund also has the ability to have an active dialogue with the invested companies to motivate these companies to improve their contribution to the United Nations SDG. It does however not intend to acquire a large percentage of outstanding shares with the purpose of enabling the Underlying Fund to significantly influence the management of the invested companies. Next to advancing the SDGs the Underlying Fund also takes into account environmental, social and governance characteristics.

3. ESG Considerations

Investment focus

The Underlying Fund has the following environmental and/or social characteristics:

(i) *The Underlying Fund promotes investment in a portfolio that contributes to the Sustainable Development Goals ("**SDGs**").*

(ii) *The Underlying Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment[1] strategies.*

(iii) *The Underlying Fund promotes adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organisation's ("**ILO**") labor standards, the United Nations Guiding Principles for Business and*

[1] "**Sustainable investment**" means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

*Human Rights[2] ("**UNGPs**"), the United Nations Global Compact[3] ("**UNGC**") and the OECD[4] Guidelines for Multinational Enterprises[5].*

(iv) *The Underlying Fund promotes investment in green, social, sustainable and/or sustainability-linked bonds used to finance environmental and social projects.*

The following sustainability indicators[6] are used to measure the Underlying Fund's attainment of its ESG focus:

(i) *Investments in companies with a positive or neutral SDG score based on the internally developed SDG Framework[7].*

(ii) *The percentage of investments in securities that are on Robeco's Exclusion list[8] as a result of the application of Robeco's Exclusion policy[9].*

(iii) *The number of holdings that are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises.*

(iv) *The percentage of the Underlying Fund invested in green, social, sustainable and/or sustainability-linked bonds.*

Investment strategy

Please refer to paragraphs 2.4 and 2.5 of this Appendix 3 of the prospectus of the Fund for further information on the Underlying Fund's ESG focus and the sustainable investing strategy used by Underlying Fund to achieve its ESG focus.

Binding elements of the Underlying Fund's investment strategy

The Underlying Fund has the following binding elements:

(i) The Underlying Fund is solely invested in companies that hold a positive or neutral SDG score.

(ii) The Underlying Fund's portfolio complies with Robeco's Exclusion Policy, that is based on exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. This means that the Underlying Fund has 0% exposure to excluded securities, taking into account a grace period.

(iii) The Underlying Fund avoids investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies that breach the international norms will be excluded from the investment universe.

(iv) The Underlying Fund invests a minimum of 5% in green, social, sustainable, and/or sustainability-linked bonds.

Objectives of the sustainable investments that the Underlying Fund partially intends to make

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[2] The UN Guiding Principles on Business and Human Rights are a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.
[3] These are the ten Principles of the United Nations Global Compact that are provided for responsible business and are derived from the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
[4] Organisation for Economic Cooperation and Development.
[5] The OECD has provided recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards.
[6] Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.
[7] The portfolio is built on the basis of the eligible investment universe and an internally developed SDG framework for mapping and measuring SDG contributions, about which more information can be obtained via the websites www.robeco.com/si and https://www.robeco.com/en/key-strengths/sustainable-investing/glossary/sustainable-development-goals.html.
[8] Robeco's Exclusion list is available at https://www.robeco.com/docm/docu-exclusion-list.pdf.
[9] Robeco's Exclusion Policy is available at https://www.robeco.com/docm/docu-exclusion-policy.pdf.

The sustainable investments aim to contribute to the United Nations ("UN") SDGs, that have both social and environmental objectives. Robeco uses its proprietary SDG Framework and related SDG scores to determine which issuers constitute a sustainable investment as referred to in article 2(17) SFDR[10]. Positive SDG scores (+1, +2, +3) are regarded as sustainable investments.

How indicators for adverse impacts on sustainability factors are taken into account

Robeco's SDG Framework assesses the contribution of companies to the SDGs. Many Principal Adverse Impact ("PAI")[11] indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators. A detailed description of the incorporation of Principal Adverse Impact is available via Robeco's Principal Adverse Impact Statement published on the Robeco website at https://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf.

How the sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UNGPs

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UNGPs via both Robeco's Exclusion Policy as well as Robeco's SDG Framework.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the ILO standards, UNGPs, UNGC Principles and the OECD Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behavior of companies. Robeco continuously screens its investments for breaches of these principles. In case of a breach, the company will be excluded or engaged with, and is not considered a sustainable investment.

Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

Consideration of Principal Adverse Impacts on Sustainability Factors

The Underlying Fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act[12].

Pre-investment, Robeco's SDG Framework assesses companies' positive and negative contributions to the SDGs. Robeco's SDG Framework directly and/or indirectly screens companies on many of the topics considered by the PAI indicators.

Post-investment, the following principal adverse impacts on sustainability factors are taken into account via Robeco's entity engagement program:

- All indicators related to climate and other environment-related indicators (PAI 1-9)

- Violations of the UNGC Principles and OECD Guidelines for Multinational Enterprises (PAI 10, Table 1). On an ongoing basis, the investment universe is scanned for controversial behavior in relation to the aforementioned principles and guidelines.

- In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of the Underlying Fund that cause adverse impact might be selected for engagement.

More information is available via Robeco's Principal Adverse Impact Statement, published on Robeco's website at https://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf.

[10] The Sustainable Finance Disclosure Regulation refers to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability‐related disclosures in the financial services sector.
[11] Principal Adverse Impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‐corruption and anti‐bribery matters.
[12] The SFDR Delegated Act refers to the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.

Assessment of good governance practices of the investee companies

Robeco has a Good Governance policy[13] to assess governance practices of companies. The policy describes how Robeco determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe for Article 8 and 9 products. Robeco's Good Governance policy applies to the Underlying Fund and tests on a set of governance criteria that reflect widely recognized industry-established norms and include topics as employee relations, management structure, tax compliance and remuneration.

Asset allocation for the Underlying Fund

At least 90% of the investments are aligned with the environmental and/or social characteristics of the Underlying Fund. The Underlying Fund plans to make a minimum of 70% sustainable investments, measured by positive scores via Robeco's SDG Framework. The investments in the category 'Other', estimated between 0-10%, are mostly in cash and cash equivalents. The planned asset allocation is monitored continuously, and evaluated on a yearly basis.

Minimum extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy[14]

The Underlying Fund intends to contribute to all 6 environmental objectives under the EU Taxonomy via the investments in green bonds. The Underlying Fund commits to a minimum share of 0% of Taxonomy-aligned activities[15]. The Underlying Fund intends to increase the minimum share of Taxonomy-aligned activities for the Underlying Fund, based on use of proceeds, once data availability in relation to the EU Taxonomy for green bonds improves and stabilises.

The Underlying Fund will report on Taxonomy-aligned investment in the periodic disclosures. For investments in corporate bonds, the Underlying Fund will report on turnover. Given the lack of data on the EU Taxonomy for green bonds in the market, Robeco relies on internal analysis for the time being. EU Taxonomy-alignment data is not yet subject to a review by third parties. The expected level of alignment with and without sovereign bonds is the same.

Minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy[16]

Green bonds may invest (part of) their use of proceeds in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. In addition, the Underlying Fund intends to make sustainable investments measured as positive scores via Robeco's SDG Framework. Among those could be investments with environmental objectives that do not qualify as Taxonomy-aligned. The environmental objectives of the Underlying Fund are attained by investing in companies that score positively on SDG 12 (Responsible consumption and production), SDG 13 (Climate action), SDG 14 (Life below water), and SDG 15 (Life on land) in Robeco's SDG Framework.

While the sum of sustainable investments with an environmental objective and socially sustainable investments always adds up to the Underlying Fund's minimum proportion of 70% sustainable investments, the Management Company does not commit to a minimum share of sustainable investments with an environment objective because the Underlying Fund's investment strategy does not have a specific environmental investment objective. Therefore, the minimum share of sustainable investments with an environmental objective is 0%.

Minimum share of socially sustainable investments

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[13] Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance. Please refer to the Good Governance policy at https://www.robeco.com/docm/docu-robeco-good-governance-policy.pdf.

[14] The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

[15] Taxonomy-aligned activities are expressed as a share of: (i) turnover reflecting the share of revenue from green activities of investee companies; (ii) capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy; (iii) operational expenditure (OpEx) reflecting green operational activities of investee companies.

[16] These are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Social, sustainable or sustainability-linked bonds may invest (part of) their use of proceeds in economic activities that contribute to a social objective. In addition, the Underlying Fund intends to make sustainable investments, measured as positive scores via Robeco's SDG Framework. Among those could be investments with social objectives. The social objectives of the Underlying Fund are attained by investing in companies that score positively on SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 3 (Good health and well-being), SDG 4 (Quality education), SDG 5 (Gender equality), SDG 6 (Clear water and sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequalities), SDG 11 (Sustainable cities and communities), SDG 16 (Peace, justice and strong institutions) and SDG 17 (Partnerships for the goals), in Robeco's SDG Framework.

While the sum of socially sustainable investments and sustainable investments with an environmental objective always adds up to the Underlying Fund's minimum proportion of 70% sustainable investments, the Management Company does not commit to a minimum share of socially sustainable investments because the Underlying Fund's investment strategy does not have a specific socially sustainable investment objective. Therefore, the minimum share of socially sustainable investments is 0%.

Appendix 2

Risks associated with the ESG strategy of the Underlying Fund

From the Effective Date, the following risks associated with the ESG strategy of the Underlying Fund will be included in Appendix 3 of the prospectus of the Fund:

Sustainability Risks

The management company of the Underlying Fund (the "**Management Company**") systematically incorporates sustainability factors, to the extent these present a material risk to the Underlying Fund, into its investment and portfolio construction processes, alongside traditional financial risk factors. This is done through ESG scoring methodologies using proprietary sustainability research and external resources which are built into the portfolio construction process. Processes and controls for sustainability risk integration are embedded in a designated Sustainability Risk Policy which is maintained by the risk management function and governed by the Risk Management Committee. The Sustainability Risk Policy is built on three pillars. The environmental or social characteristics promoted by the Underlying Fund or sustainable investment objective of the Underlying Fund is used to identify and assess the relevant material sustainability risk topics. Based on these characteristics or investment objectives sustainability risk is monitored. Sensitivity and scenario analyses are conducted on a frequent basis to assess any material impact climate change risk may have on the portfolio of the Underlying Fund.

The financial position of investments in the portfolios managed by the Management Company may deteriorate due to material sustainability related risks, depending on the investment universe. Sustainability risks can be described using ESG factors.

- Environmental risks reflect how a company or government performs as a steward of nature. Examples of underlying factors to this category are air and water pollution, biodiversity, deforestation, energy efficiency, waste management and water scarcity.

- Social risks reflect how a company or government manages relationships with civilians, employees, suppliers, and the communities where they operate. A few examples are customer satisfaction, data protection and privacy, gender and diversity, employee engagement, community relations, human rights, and labor standards.

- Governance risk deals with a company or governments leadership. This relates to elements such as board composition, audit committee structure, bribery and corruption, executive compensation, lobbying, political contributions, conflicts of interest, and whistleblowers schemes.

In case any of these dimensions are not managed well, a sustainability risk occurs that may affect the value of the investment.

Climate risk refers to the potential impact on return due to climate change. The distinction is made between climate transition risk and climate physical risk.

Climate transition risk refers to the inherent risk from changing strategies, policies, or investment as society and industry work to reduce its reliance on greenhouse gasses and the impact on climate. The costs that a company could incur to reduce emissions can be either the costs of transitioning towards greener activities or direct costs of carbon taxes. There are also gains from technological opportunities in the transition towards a carbon-neutral economy. This is due to the potential revenue increases that may occur based on market demand. The net result of risks and opportunities reflects the total climate transition risk.

Climate physical risk represents the potential impact on returns due to extreme weather events. These weather events can be classified as acute risk or chronic risk. Chronic refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves. They manifest primarily via reduction in labour productivity/availability or changes in the efficiency of production processes. Acute physical risks occur from rare natural catastrophes such as tropical cyclones in distinct time intervals.

Type	Climate Hazards	Description
Acute	Tropical cyclone	Tropical cyclones typically cause severe wind and flood damage.
	Coastal flooding	Sea level rise is the dominating climatic driver of coastal flooding impacts. The impacts can manifest in severe asset damage and prolonged business interruption.
	Fluvial flooding	The core of the fluvial flooding model is very similar to the coastal flooding model. Local flood protection measures are considered, and the same depth damage functions are used to estimate asset damage and business interruption from inundation
	River low flow	Water scarcity on the power production sector, specifically on thermal and hydro power plants, which rely on large amounts of water.
	Wildfire	Wildfires are driven by weather conditions such as drought, high temperatures and evaporation and strong wind, with humans being the dominant force of wildfire ignition.
Chronic	Extreme heat	Extreme heat temperatures reflect the rising mean temperatures overtime, which can impact both productivity and damage costs for companies.
	Extreme cold	Extreme cold has an oppositive effect in some assets: as large areas of the northern hemisphere are projected to experience a significant temperature increase, cold extremes become less frequent and the corresponding costs are reduced.
	Heavy precipitation	This is the impact caused on companies' cash flows by the stronger precipitation levels.
	Strong snowfall	This is a factor influenced by impacts on productivity changes caused by strong snowfall levels.
	Severe wind	Severe wind is the impact on companies' cash flows caused by extreme wind levels.

Sustainability risk profile of the Underlying Fund

The sustainability risk profile can be split into different sustainability risk sources and expressed using five categories, ranging from (1) very low risk till (5) very high risk. The risk classification relates to both the probability and potential negative impact of sustainability risk on the portfolio return. The classification relates to the portfolio only: there is no comparison to any benchmark. Robeco distinguishes between sustainability risk of companies and governments. For companies, there is a total risk classification, a classification of environmental risks, a classification of social risks, and a classification of governance risk. The classifications are based on a variety of ESG issues provided by a third party that is specialised in the assessment of sustainability risks. The classification provides an indication of the probability and potential impact of an ESG event in the period of one year.

Company Risk	*Very Low*	*Low*	*Medium*	*High*	*Very High*
Sustainability Risk (Overall)			X		
Environmental Risk	X				
Social Risk			X		
Governance Risk			X		

Robeco makes use of a climate risk metric provided by a third party specialised in climate risk. Based on a 1.5-degrees decarbonisation pathway, the potential impact of climate transition risk is estimated. This is a reflection of the potential decarbonisation costs for the next 80 years, of which the heavy point is estimated to be approximately in 15 years. This impact on return is compared to the market risk profile of the fund and turned into risk classification.

Company Risk	*Very Low*	*Low*	*Medium*	*High*	*Very High*
Climate Transition Risk				X	

Climate change leads to extreme weather events that may have a negative economic impact on investments. Based on a climate risk model provided by a third party specialised in climate risk, the physical risks that the portfolio is most vulnerable to are assessed. The Underlying Fund’s primary physical risks are (1) Coastal Flooding, (2) Extreme Heat, and (3) Fluvial Flooding.

Climate risk models are complex and surrounded by a high degree of uncertainty as result of assumptions and availability of data. As result, a change in the methodology may lead to a change in the risk classification. The climate risk model assesses the potential costs for decarbonizing for companies. Active policies and ambitions of companies are not taken into account contrary to the 'ESG' scores that focus on policies and ambitions.