

4 May 2020

Dear Unitholder

UNITED GLOBAL PORTFOLIOS
- UNITED GLOBAL DIVIDEND BALANCED FUND

CHANGES TO UNDERLYING FUND

Thank you for investing in the United Global Dividend Balanced Fund (the "**Sub-Fund**"), a sub-fund of United Global Portfolios (the "**Fund**").

Pursuant to its investment focus and approach, the Sub-Fund may invest substantially in other underlying funds, one of which is the United Global Dividend Equity Fund ("**UGDEF**"), a collective investment scheme authorised by the Monetary Authority of Singapore which is also managed by us.

We wish to inform you that certain changes in relation to UGDEF had taken effect from 9 July 2018 (the "**Effective Date**"), which was, regrettably, not communicated to unitholders of the Sub-Fund nor reflected in the prospectus of the Fund at that time due to an administrative oversight. Details of such changes are set out below:

A) Appointment of sub-manager of the UGDEF

In a continuous effort to rationalise our resources, we have appointed Wellington Management Singapore Pte Ltd (the "**UGDEF Sub-Manager**") as the sub-manager of UGDEF with effect from the Effective Date. The UGDEF Sub-Manager holds a Capital Markets Services Licence (CMS CMS100444-1) issued by the Monetary Authority of Singapore and is domiciled in Singapore. The UGDEF Sub-Manager may, in turn, from time to time delegate any or all of its investment sub-management function for UGDEF to any one or more of its affiliates set out below (collectively, the "**UGDEF Sub-Investment Managers**"):

(i) Wellington Management Company LLP

Wellington Management Company LLP is domiciled in the United States ("**U.S.**") and its financial supervisory authority is the U.S. Securities and Exchange Commission (the "**SEC**").

(ii) Wellington Management International Ltd

Wellington Management International Ltd is domiciled in the United Kingdom and its financial supervisory authorities are the Financial Conduct Authority and the SEC.

(iii) Wellington Management Japan Pte Ltd

Wellington Management Japan Pte Ltd is established under Singapore law and has its main office in Tokyo, Japan. It is regulated by the Financial Services Agency in Japan and is registered with the SEC in the U.S. as an investment adviser.

The UGDEF Sub-Manager and the UGDEF Sub-Investment Managers are wholly owned subsidiaries of Wellington Management Group LLP. The Wellington Management group has been managing collective investment schemes and discretionary funds for over 80 years, and serves as investment manager to clients in more than 50 countries.

B) Change in investment focus and approach of UGDEF

As a result of the delegation above with effect from the Effective Date, the investment focus and approach of UGDEF was correspondingly also changed with effect from the Effective Date:

UGDEF's investment focus and approach prior to Effective Date	UGDEF's investment focus and approach with effect from the Effective Date
<p>Companies in which the UGDEF invests are selected based on a number of criteria including: above average dividend yield, good management, sound fundamentals, consistent profitability and earnings growth prospects. This combination should ensure the regular payment of dividends as well as the potential for capital appreciation. Due to the emphasis on dividend and quality, the UGDEF is likely to possess below - average exposure in low yielding countries and low yielding sectors. Hence, absolute volatility and downside risk should be relatively lower for the UGDEF.</p> <p>However, there may be less room for price performance in an environment where investors are oriented towards growth investing strategies. This is mainly due to the fact that the UGDEF tends to avoid sectors like technology due to its lower yield characteristics. Consequently, the UGDEF may not track the global equities index as closely as more “mainstream” global benchmark equities products. The lower correlation with “mainstream” global funds and lower volatility of the product offers diversification advantages. We adopt a bottom-up approach, leveraging on our established global research capability to optimise the portfolio to best meet its stated objectives. On this basis, the portfolio of the UGDEF comprises mostly “value” stocks which have high dividend yield and price performance potential. We will realise the investments of the UGDEF when, in our opinion, a fair value is reached or when better investment alternatives present themselves.</p>	<p>The UGDEF Sub-Manager will manage the UGDEF based on a risk-controlled approach that seeks to deliver a risk-return profile more attractive than that offered by broad capitalisation-weighted indices over the long term and aims to deliver dividend yield higher than the MSCI AC World Index, which is the benchmark of the UGDEF. The approach seeks to reduce global equity market risk by approximately 20% by focusing on lower-volatility global equities and exploiting their apparent systematic mispricing and to also provide current income by targeting above market yield levels, while adding value through skilled active management.</p> <p>To achieve this risk-return profile, the UGDEF Sub-Manager uses a highly systematic and risk-controlled approach. A key goal is to maximise return while minimising uncompensated risks. To achieve this, the UGDEF Sub-Manager will tap the benefits of efficient global diversification through robust portfolio construction, while adding additional return through the use of independent alpha sources reflecting diverse themes and investment horizons.</p> <p>A unique facet of this approach is “Contextualization”, which is a sophisticated factor weighting approach that adjusts factor weights to individual stocks based on their predictive power. Another distinctive characteristic is the UGDEF Sub-Manager’s proprietary risk model, which improves risk-prediction accuracy and allows the UGDEF Sub-Manager to adapt portfolios more quickly to changing market environment regimes.</p> <p>The UGDEF Sub-Manager optimises the risk and return profile of its portfolios using a proprietary portfolio construction process. This proprietary tool will allow the UGDEF Sub-Manager to integrate its long-term stock-return forecasts with its proprietary risk models, while incorporating the likelihood of short-term price movements and transaction-cost considerations.</p>

	In the event of extreme market conditions or severe market stress or disruptions, or if there are no suitable investment opportunities for the UGDEF at any time, the UGDEF may temporarily invest up to 100% of its assets into cash, cash deposits and/or money market instruments. A portion of the UGDEF's assets may also be retained in liquid investments or cash for liquidity purposes.
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C) Changes to key risk of UGDEF

In view of the change in investment focus and approach of UGDEF, the key risks in relation to UGDEF were changed as follows:

- (i) **prior to Effective Date:** market risk, liquidity risk, political risk, derivatives risk, foreign exchange and currency risk and risk relating to distributions
- (ii) **with effect from Effective Date:** market risk, liquidity risk, political risk, derivatives risk, foreign exchange and currency risk, risk relating to distributions, concentration risk and issuer specific risk

The Sub-Fund may from time to time have a large concentration of investments in UGDEF and could consequently be subject to significant losses where UGDEF declines in value or is otherwise adversely affected.

The prospectus for UGDEF, which includes more details on the risks of UGDEF, may be obtained from our authorised agents or distributors or through our website at uobam.com.sg. Please note that this notice is not to be construed as an offer of units in UGDEF.

For the avoidance of doubt, there was no change to the investment objective, focus and approach of the Sub-Fund. There will be no change to the fees and charges payable by you or by the Sub-Fund (including the management fee of the Sub-Fund) in connection with the above changes.

Nevertheless, the following options are available to you:

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

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.

There will be no switching fee or any other fees and charges imposed should you choose either Option 2 or Option 3 between 20 April 2020 and 3 June 2020 (both days inclusive) (the "**Switching Period**"). 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 will be reflected in an updated prospectus of the Fund to be registered with the Monetary Authority of Singapore on or around 20 April 2020. 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 in the Sub-Fund.

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



Faizal Gaffoor
Managing Director | CMO