

23 April 2015

To: All Unitholders of UOBAM Funds

Dear Unitholder

U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT

We, UOB Asset Management Ltd (the "**Managers**"), are writing to you on certain matters affecting the collective investment schemes authorised by the Monetary Authority of Singapore ("**MAS**") under section 286 of the Securities and Futures Act, Chapter 289 of Singapore managed by us (collectively, "**UOBAM Funds**") arising from the coming into effect of the United States ("**U.S.**") Foreign Account Tax Compliance Act ("**FATCA**").

FATCA, enacted in 2010 by the U.S. Congress as part of the U.S. Hiring Incentives to Restore Employment (HIRE) Act, targets non-compliance with tax laws by specified U.S. Taxpayers¹ using overseas accounts. Under FATCA, financial institutions outside of the U.S. are required to regularly submit information on financial accounts held by U.S. Taxpayers to the U.S. tax authorities. Failure to comply with FATCA may, amongst other things, subject the relevant UOBAM Fund to U.S. withholding tax on certain types of payments made to such UOBAM Fund. Accordingly, it is intended that all UOBAM Funds will comply with FATCA.

For the purpose of complying with FATCA, the Managers, the trustee of each UOBAM Fund (the "**Trustee**") and/or other service providers of each UOBAM Fund may be required to report and disclose information on certain investors in the relevant UOBAM Fund to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any intergovernmental agreement ("**IGA**") entered into between the U.S. and Singapore² in connection with FATCA and/or withhold certain payments to such investors.

Therefore, we would require you as an investor of a UOBAM Fund to:

¹ "**U.S. Taxpayers**" in this letter refer to "United States persons" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended. Currently, a U.S. Taxpayer includes: a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Taxpayer under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

² Pursuant to the IGA entered into between Singapore and the U.S. on 9 December 2014, Singapore-based financial institutions will report information on financial accounts held by U.S. Taxpayers to the Inland Revenue Authority of Singapore (IRAS), which will in turn provide the information to the U.S. tax authorities.

- (a) provide such information, documents and assistance in connection with the above as the Trustee and/or us may require from time to time; and
- (b) notify us or any of our authorised agents or distributors in writing immediately in the event that you are or become a U.S. Taxpayer, or are holding units in any UOBAM Fund for the account of or benefit of a U.S. Taxpayer.

You are also deemed to have consented to the Managers, each Trustee and/or other service providers to the UOBAM Funds carrying out their obligations in reporting and disclosing information on you and your investments to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any IGA entered into between the U.S. and Singapore.

Also, with effect from 24 April 2015, units of all UOBAM Funds³ ("**Units**") may not be offered, made available, or sold to or for the account of any U.S. Taxpayer or U.S. Person⁴. Applicants for Units may be required to declare that they are not U.S. Taxpayers and that they are neither acquiring Units on behalf of U.S. Taxpayers nor acquiring Units with the intent to sell or transfer them to U.S. Taxpayers.

We also wish to inform you that, with effect from 29 May 2015:

- (1) The Managers shall have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in a UOBAM Fund held by:
 - (i) any unitholder in a UOBAM Fund ("**Holder**"):
 - (a) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (b) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the UOBAM Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
 - (ii) any Holder whose holdings, in the opinion of the Managers:
 - (a) may cause the UOBAM Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
 - (b) may cause the offer of the Units of the UOBAM Fund, the UOBAM Fund, the prospectus of the UOBAM Fund, the trust deed of the UOBAM Fund, the Managers or the Trustee to become subject to any authorisation, recognition,

³ Save for Asia Multi-Asset Monthly Income Scheme and United Global Asset Rotator, where a restriction on the offer, sale, etc of Units to U.S. Persons or U.S. Taxpayers is already in place.

⁴ "**U.S. Persons**" means U.S. Persons (as defined in Regulation S promulgated under the Securities Act of 1933 of the United States of America, as amended (the "**U.S. Securities Act**")) in reliance on Regulation S promulgated under the U.S. Securities Act.

approval or registration requirements under any law or regulation in any other jurisdiction; or

- (iii) any Holder whose holdings, in the opinion of the Managers:
 - (a) may cause a detrimental effect on the tax status of the UOBAM Fund in any jurisdiction or on the tax status of the Holders of the UOBAM Fund; or
 - (b) may result in the UOBAM Fund or other Holders of the UOBAM Fund suffering any other legal or pecuniary or administrative disadvantage which the UOBAM Fund or Holders might not otherwise have incurred or suffered; or
- (iv) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by the Managers and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder (or the Holder has failed to provide the same) in a timely manner; or
- (v) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Managers and/or the Trustee pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any IGA entered into between the U.S. and Singapore in connection with FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or
- (vi) any Holder who does not consent, or withdraws his consent, for the Managers or the Trustee to collect, use and/or disclose information or data relating to the Holder, where (in the opinion of the Managers or the Trustee) such information or data is necessary or desirable for the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of the UOBAM Fund and/or the Holder.

Any compulsory realisation due to the above may be carried out by the Managers on any dealing day, with prior notice to the relevant Holder, and shall be carried out in accordance with, and at the realisation price determined under, the applicable provisions on realisations in the trust deed of the relevant UOBAM Fund.

- (2) If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Managers (in consultation with the Trustee) shall be entitled, at any time with prior notice to that Holder, to realise such number of Units held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

- (3) The Managers, the Trustee and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, Trustee and/or any of their respective delegates, agents or associates under the above paragraphs relating to compulsory realisation.

In addition, in respect of the UETF, the definition of an “Unauthorised US Person” will be widened to include the following limbs: (i) a U.S. Person (as defined in the Regulation S promulgated under the Securities Act of 1933 of the United States of America, as amended (the “**U.S. Securities Act**”), in reliance on Regulation S promulgated under the U.S. Securities Act, and (ii) United States persons (as defined in Section 7701(a)(3) of the U.S. Internal Revenue Code, as amended). The Managers will continue to have the powers granted to them under the trust deed of the UETF to impose such restrictions as they may think necessary for the purpose of ensuring that no Units are acquired or held by an Unauthorised US Person.

The above (together with other amendments) will be reflected in a supplementary or replacement prospectus to the registered prospectus of each UOBAM Fund lodged with the MAS on or around the date of this notice, or where applicable, in the updated prospectus of the relevant UOBAM Fund registered on or around the date of this notice. After the lodgement of the relevant supplementary or replacement prospectus or registration of the relevant updated prospectus (as the case may be), you may obtain a copy of it from us, any of our authorised agents or distributors, or from our website at uobam.com.sg.

The information contained in this notice does not constitute any tax or legal advice. You should obtain professional advice to ascertain the possible tax consequences of FATCA or any IGA on your investments in the relevant UOBAM Fund. Kindly be informed that the Managers are prohibited from rendering tax and legal advice.

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

Yours faithfully

Faizal M Fazluddin

Chief Marketing Officer