

28 May 2024

Co Reg. No. 198600120Z

**NOTICE TO UNITHOLDERS OF:**

- **United Asia Fund**
- **United Asia Pacific Real Estate Income Fund** (a sub-fund of United Real Estate Multi-Strategy Funds)
- **United Asian Bond Fund** (a sub-fund of United Choice Portfolios)
- **United Asian Growth Opportunities Fund**
- **United China-India Dynamic Growth Fund** (a sub-fund of United Global Recovery Funds)
- **United Emerging Markets Bond Fund** (a sub-fund of United Emerging Markets Portfolios)
- **United Global Durable Equities Fund**
- **United Global Healthcare Fund**
- **United Global Technology Fund**
- **United Gold & General Fund**
- **United Greater China Fund**
- **United Japan Small and Mid Cap Fund**
- **United Sustainable Asia Top-50 Fund**
  
- **United Vietnam Equity Fund**
- **United SG Dynamic Income Fund**  
(sub-funds of United ASEAN Onshore Funds)
  
- **United China A-Shares Consumption Upgrade Fund**
- **United China A-Shares Innovation Fund**  
(sub-funds of United China Onshore Funds)
  
- **United Income Focus Trust**
- **United Global Quality Growth Fund**
- **United Growth Fund**
- **United Income Fund**  
(sub-funds of United Global Diversified Portfolios)

(each, a “Fund” and collectively, the “Funds”)

Dear Unitholder

**IMPLEMENTATION OF SWING PRICING FOR UOBAM FUNDS**

Thank you for investing in the Funds, which are managed by us, UOB Asset Management Ltd (“**UOBAM**”).

We are writing to inform you that we will be introducing swing pricing for each Fund on the applicable effective date set out below (or such later date as we may announce on our website):

- a) **United Global Healthcare Fund** - effective **6 August 2024**;



- b) **United Income Focus Trust** (sub-fund of United Global Diversified Portfolios) – effective **1 September 2024**; and
- c) **all other Funds** – effective **28 June 2024**.

### **Background**

Each Fund is priced on a net asset value (“**NAV**”) (single pricing) basis and the NAV of each Fund may fall when it experiences large volumes of realisations or subscriptions because of significant transaction costs<sup>1</sup> incurred in the purchase and sale of the Fund’s underlying investments. This effect is known as “dilution”.

### **Swing Pricing**

To protect the interest of investors, we shall, in consultation with the trustee of each Fund (“**Trustee**”), have the discretion to apply a technique known as “dilution adjustment” or “swing pricing” (“**Swing Pricing**”) in certain circumstances which we deem appropriate. Swing Pricing involves making upward or downward adjustments in the calculation of the NAV per unit (“**Unit**”) of the relevant Fund or unit class (“**Class**”) on a particular dealing day, so that such transaction costs are, as far as practicable, passed on to the investors who are subscribing, realising, switching and/or exchanging Units on that dealing day.

The need to apply Swing Pricing will depend upon various factors, including but not limited to:

- (i) the amount of subscriptions and/or realisations (including switches and/or exchanges) of Units on that dealing day;
- (ii) the impact of any transaction costs incurred in the purchase and/or sale of underlying investments of the relevant Fund;
- (iii) the spread between the buying and selling prices of underlying investments of the relevant Fund; and
- (iv) market conditions such as financial turmoil,

provided that, any adjustments made by us shall be on a fair and equitable basis and with a view to protecting the interests of investors.

Typically, the NAV per Unit is adjusted if the net subscription or realisation (including switches and/or exchanges) on a particular dealing day reaches or exceeds a certain percentage (the “**Swing Threshold**”) of the size of the relevant Fund on such dealing day. The NAV of each Unit will swing upwards for a net subscription, and downwards for a net realisation. If a Fund comprises different Classes, we will apply the same percentage of adjustment to the NAVs of all Classes within the Fund.

In the usual course of business, to minimise the impact to the variability of the returns of a Fund, the application of Swing Pricing will be triggered mechanically and on a consistent basis and applied only when the net subscription or realisation for a Fund reaches or exceeds the Swing Threshold.

The Swing Threshold will be set with the objective of protecting investors’ interest while minimising impact to the variability of the relevant Fund’s return by ensuring that the NAV per Unit is not adjusted where the dilution impact on the relevant Fund is, in our opinion, not significant, and may be varied by us in our discretion.

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<sup>1</sup> For example, brokerage commissions, custody transaction costs, stamp duties and sales taxes.

Please note that applying Swing Pricing when the Swing Threshold is reached or exceeded only reduces the effect of dilution and does not eliminate it entirely. Where the net subscription or realisation for a Fund is below the Swing Threshold, no Swing Pricing will be applied and your investment in the relevant Fund may be diluted.

The Swing Pricing policy (including the Swing Threshold) for each Fund will be subject to regular review and may change from time to time. Accordingly, our decision to apply Swing Pricing and the level of adjustment made to the NAV per Unit of the relevant Fund or Class in particular circumstances may not result in the same decision in similar circumstances arising in the future.

### **Maximum Adjustment**

The amount of adjustment at any future point in time may vary depending on (inter alia) market conditions, but will not, under normal circumstances, exceed 2% (the “**Maximum Adjustment**”) of the NAV per Unit of the relevant Fund or Class on a dealing day. We reserve the right to apply an adjustment of an amount not exceeding the Maximum Adjustment on a dealing day where we deem appropriate and have the discretion to vary the amount of adjustment up to the Maximum Adjustment, in consultation with the Trustee, from time to time without giving notice to the relevant investors.

Subject to the trust deed of each Fund and applicable laws and regulations, we may, in exceptional circumstances (including but not limited to volatile market conditions, market turmoil, illiquidity in the market, extraordinary market circumstances or significant unexpected changes in general market conditions) and in consultation with the Trustee, temporarily apply an adjustment beyond the Maximum Adjustment on a dealing day if, in our opinion, it is in the best interest of investors to do so. In such cases, if required by the Monetary Authority of Singapore and/or the Trustee, we shall give notice to affected investors as soon as practicable in such manner as we and Trustee may agree.

### **Performance and fee calculations**

You should also note that:

- (a) each Fund’s performance will be calculated based on the NAV of the Fund or Class **after** the Swing Pricing adjustment has been applied (i.e. swung NAV) and therefore the returns of the relevant Fund may be influenced by the level of subscription and/or realisation activity;
- (b) Swing Pricing could increase the variability of the returns of each Fund since returns are calculated based on the adjusted NAV per Unit; and
- (c) the fees and charges applicable to each Fund (including fees based on the NAV of the Fund) will be based on the NAV **before** the Swing Pricing adjustment is applied (i.e. unswung NAV).

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

**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.**

The above change will be reflected in a replacement prospectus of the relevant Fund to be lodged 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.

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](mailto:uobam@uobgroup.com).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rachel Ong', with a horizontal line extending to the right.

Rachel Ong  
Chief Marketing Officer