

29 July 2020

Dear Unitholder

**UNITED ALTERNATIVE PORTFOLIOS – UNITED ASIA PACIFIC DIVERSIFIED STRATEGIES FUND
NOTICE OF PROPOSED AMALGAMATION AND OTHER CHANGES**

Thank you for investing in the United Asia Pacific Diversified Strategies Fund (the "**Sub-Fund**"), a sub-fund of the United Alternative Portfolios (the "**Fund**").

We wish to inform you of an internal restructuring exercise within the UOB Group involving, *inter alia*, a proposed amalgamation (the "**Proposed Amalgamation**") between UOB Asset Management Ltd ("**UOBAM**") and its wholly-owned subsidiary, UOB Alternative Investment Management Pte. Ltd. ("**UOBAIM**"). The effective date of the Proposed Amalgamation will be on or around 31 August 2020 (the "**Effective Date**").

On and from the Effective Date:

- (i) all the property, rights, privileges, liabilities and obligations of UOBAIM will be transferred to and vest in UOBAM pursuant to Section 215G of the Companies Act, Chapter 50 of Singapore; and
- (ii) UOBAIM shall cease to exist and the businesses of both UOBAM and UOBAIM will continue under UOBAM.

As the sub-manager of the Sub-Fund, UOBAIM has been managing, selecting and evaluating investments of the Sub-Fund since its inception on 18 June 2018. As a result of the Proposed Amalgamation, UOBAIM will cease to sub-manage the Sub-Fund and we will solely manage the Sub-Fund from the Effective Date.

We will update you when the Proposed Amalgamation has been completed. In the meantime, please be assured that the Proposed Amalgamation should not materially affect the existing relationship and dealings between all unitholders and the UOB Group and we look forward to continuing to work with you.

Further, with effect from the Effective Date:

- (i) the Sub-Fund's investment focus and approach will be updated in the manner set out in the Annex to this letter; and
- (ii) the current administration fee payable by the Sub-Fund to the Managers for their administration of the Sub-Fund will be reduced from 0.075% p.a. to 0.05% p.a. of the deposited property of the Sub-Fund.

For the avoidance of doubt, there is no change to the Sub-Fund's investment objective.

The above will be reflected in a replacement prospectus of the 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.

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

A handwritten signature in blue ink, appearing to read 'Faizal Gaffoor', with a horizontal line extending to the right.

Faizal Gaffoor
Managing Director | CMO

ANNEX

Investment focus and approach of the Sub-Fund (updates as marked below)

"The Sub-Fund provides access to both established and new alternative investment funds and fund managers through a fund-of-funds approach. The focus is primarily on funds with daily liquidity, and which invest a significant portion of their assets in the Asia Pacific region¹ through a variety of instruments, including equities, bonds, currencies and derivatives, or in investment opportunities that benefit from, derive significant revenue from, or are heavily influenced by companies or economies in the region.

~~We have delegated the investment management of the Sub-Fund's assets to the Sub-Managers.~~

It is intended that at least 70% of the Sub-Fund's investments will be focused in the Asia Pacific region while the remainder may be focused in any part of the world (including the Asia Pacific region). However, the Sub-Fund's allocation to the Asia Pacific region may be temporarily reduced to below 70% from time to time, particularly when there is a lack of suitable investment opportunities in the Asia Pacific region. The regional allocation and asset allocation to each Underlying Fund may vary over time.

The key elements of the investment approach are as follows:

1) Top-down opportunity analysis

~~The Sub-Managers~~ We identify markets and opportunities that are conducive to the execution of alternative investment strategies² from the perspective of market liquidity, maturity, breadth of opportunities, and where there is sufficient availability of capable managers who can generate absolute return with low market correlation.

2) Manager selection – sourcing and due diligence (investment and operational)

~~The Sub-Managers'~~ Our investment due diligence process seeks to identify managers who can generate consistent absolute returns through both up and down markets with consistent investment process and risk management. ~~The Sub-Managers~~ We prefer managers who are experienced, tested in adversity and who have the ability to perform well in poor markets. Other key evaluation factors include transparency levels, and consistency in investment philosophy and team stability.

~~The Sub-Managers'~~ Our operational due diligence process seeks to ensure that the target Underlying Fund is being managed in accordance with best practices operationally and that all aspects of its operations are above board. ~~The Sub-Managers~~ We review key areas such as governance, regulatory compliance, operations, risk management and internal controls.

3) Portfolio construction

The Sub-Fund will invest in a diversified multi-manager portfolio of Underlying Funds. ~~The Sub-Managers~~ We will continuously assess the top-down investment opportunities and build a portfolio that can achieve good risk-adjusted returns by diversifying across managers, strategies and geographies. On an ongoing basis, ~~the Sub-Managers~~ we constantly identify gaps within the portfolio and funds that add additional sources of returns.

Allocations of the portfolio will be primarily to Underlying Funds with daily liquidity (i.e., those which generally allow daily subscriptions and realisations). As at the date of registration of this Prospectus, it is intended that the Sub-Fund will not invest 30% or more of its NAV into any one Underlying Fund.

¹ The Asia Pacific region includes but is not limited to Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

² Refer to [paragraph 6.8](#) of the Prospectus of the Fund for information on alternative investment strategies.

4) Portfolio monitoring

~~The Sub-Managers~~ We will review the portfolio on a regular basis. The review will cover investment, operations and portfolio related matters such as performance attribution, position sizes, and exposure changes. Based on this review, we may add or remove Underlying Funds from the portfolio, or change the allocation to each Underlying Fund.

Derivatives may be used or invested in for the purposes of hedging existing positions, efficient portfolio management, optimising returns, or a combination of ~~both~~ all three purposes.

In the event of extreme market conditions or severe market stress or disruptions, or if there are no suitable investment opportunities for the Sub-Fund at any time, the Sub-Fund may temporarily invest up to 100% of its assets into cash and/or cash deposits, money market instruments and/or short-term debt securities. A portion of the Sub-Fund's assets may also be retained in liquid investments or cash for liquidity purposes."