

17 June 2019

Dear Unitholder

**UNITED ASIA PACIFIC GROWTH FUND
INVESTMENT OF JAPAN PORTFOLIO INTO UNITED JAPAN GROWTH FUND**

Thank you for investing in United Asia Pacific Growth Fund (the "**Fund**").

We, UOB Asset Management Ltd (the "**Managers**"), the managers of the Fund, are writing to inform you of a change in the Fund's investment approach.

The Fund's investment objective is to achieve long term capital growth through investing in the securities of corporations in, or corporations listed or traded on stock exchanges in, or corporations which derive a significant proportion of their revenue or profits from or have a significant proportion of their assets in, Asia Pacific. Currently, the Fund primarily invests in equity securities directly.

With effect from 17 July 2019 (the "**Effective Date**"), the Fund's investment approach will be amended so that it may invest its Japan portfolio in United Japan Growth Fund ("**UJGF**"), a Singapore-authorized open-ended collective investment scheme constituted in Singapore. You may refer to the Annex for information on UJGF's investment objective, focus and approach and fees and charges.

UJGF is managed by us and sub-managed by Fukoku Capital Management, Inc. ("**FCM**"), a leading Japanese investment management firm domiciled in Japan and registered with the Financial Services Agency in Japan as an investment advisory and discretionary investment management firm. FCM has considerable experience in the Japanese market, with more than 20 years in the field of pension fund management and more than 17 years in investment trust fund management. As at 30 September 2018, FCM has assets under management (including investment advisory and discretionary investment management) of approximately US\$19.5 billion. We believe that FCM's local presence in Japan will enable the Fund's Japan portfolio to capitalise on FCM's in-depth knowledge and on-the-ground insight of companies in the Japanese equity market.


We may invest such proportion of the Fund into UJGF at our discretion. The Fund's investment in UJGF at any particular time may be substantial (i.e. 30% or more of the asset value of the Fund). For the avoidance of doubt, there is no change to the Fund's investment objective nor to its investment approach for direct investments.

The above will be reflected in a replacement prospectus to the registered prospectus of the Fund lodged with the Monetary Authority of Singapore on or around the date of this notice. The replacement prospectus will contain prescribed information on UJGF. Additional information on UJGF, such as its risks, can be found in UJGF's prospectus. You may obtain a copy of the replacement prospectus and UJGF's prospectus from us or any of our authorised agents or distributors or our website at uobam.com.sg. **This letter is not to be construed as an offer of units in UJGF.**

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 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 black ink, appearing to read 'Faizal Gaffoor', with a horizontal line extending to the right.

Faizal Gaffoor
Chief Marketing Officer

ANNEX

Investment objective of UJGF

To achieve long term capital growth through investing in companies with assets in, or revenues derived from, Japan.

Investment focus and approach of UJGF

(a) FCM (referred to as the "**Sub-Manager**" in this Annex) believes that inefficiencies lie in the market and they can be grasped through fundamental analysis of individual stocks. Acting on this belief, the Sub-Manager evaluates corporate values based on the fundamentals of individual companies, focusing on the differences in market evaluation.

(b) The Sub-Manager believes that excess returns could come from the following sources:

- Stock selection: 70 - 80%
- Sector allocation: 20 - 30%

(i) **Stock selection**

The Sub-Manager constructs the portfolio by investing into stocks with higher expected rates of return within each sector based on the information gap between the fair price calculated by its analysts' bottom-up approach and the market price of the stocks.

(ii) **Industrial sector allocation**

The Sub-Manager combines a top-down approach with a bottom-up approach and organizationally defines the allocation policy based on discussions within the investment team (which consists of its Head of Equity Department, strategist, fund managers and analysts). The Sub-Manager decides the sector allocation by considering factors such as the macro-economic environment, structural changes to industries and/or anticipation of stock price movements, together with the circumstances of the individual companies that constitute each sector.

(c) A summary of UJGF's investment process is as follows:



(i) **Investment research**

The Sub-Manager selects approximately 400 stocks from the viewpoint of liquidity, creditworthiness, research availability, etc. mainly from stocks listed on the Tokyo Stock Exchange. The Sub-Manager's analysts focus on bottom-up research and calculate fair stock prices by calculating premiums based on comprehensive evaluation of earning forecasts, valuations and qualitative evaluations.

(ii) **Creating a buy-list**

Based on the fair stock prices calculated by the analysts, the expected rates of return (i.e. the deviation from the market price) are calculated on a daily basis. The expected rates of return in each sector are then ranked: the top 35% as Rating 3, middle 30% as Rating 2 and bottom 35% as Rating 1. The top 35% (Rating 3) from all sectors will constitute the buy-list and that consists of approximately 200 stocks.

(iii) Construction of model portfolio

A model portfolio is constructed organizationally as a result of collaborative work in the equity team which consists of the Head of Equity Department, strategist, analysts and fund managers.

(iv) Criteria for selecting stocks

“Stocks with high attractiveness” are selected from the buy-list after consultation between the analysts and fund managers. The expected rates of return and rankings within the relevant sector are important factors in determining the degree of attractiveness. However, the feasibility to achieve the expected rate of return and risks such as fluctuations of stock prices and variability of corporate earnings are also considered.

With respect to the weight of individual stocks, fund managers will consider liquidity and the entire risk of the portfolio, and generally allocate higher active weights to highly attractive stocks.

(v) Construction (customisation) of an executable portfolio

Based on the model portfolio, the buy-list and the investment policy, the Sub-Manager will construct (customise) an executable portfolio according to UJGF's assets.

Fees and charges of UJGF

Payable by investors	
Subscription Charge ⁽¹⁾	Currently 5%; maximum 5%
Realisation Charge ⁽¹⁾	Currently none; maximum none.
Switching Fee ⁽¹⁾	Currently 1%; maximum 1%.
Payable out of UJGF to the Managers, the trustee of UJGF and other parties	
Management fee <i>(a) Retained by Managers</i> <i>(b) Paid by Managers to financial adviser (trailer fee)</i>	Currently 1.5% p.a.; maximum 1.5% p.a.. (rebated back to United Asia Pacific Growth Fund) (a) 67.50% to 95.83% of management fee (b) 4.17% to 32.50% of management fee
Trustee remuneration	Currently not more than 0.05% p.a.; maximum 0.125% p.a.. (Subject always to a minimum of S\$15,000 p.a. or such other lower sum as may be agreed from time to time between the trustee and us. Currently, the agreed minimum between the trustee and us is S\$5,000 p.a..)
Valuation fee	Currently none; maximum 0.125% p.a..
Registrar and transfer agent fees	S\$15,000 p.a..
Audit fee, custodian fee, transaction costs ⁽²⁾ and other fees and charges ⁽³⁾	Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the NAV of UJGF. Based on the audited accounts and the average NAV of UJGF

	for the financial year ended 31 December 2017: <ul style="list-style-type: none">• Audit fee: 0.2%• Custodian fee: 0.11%• Transaction costs: 0.24%• Other fees and charges: 0.53%
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⁽¹⁾ Waived for investments by United Asia Pacific Growth Fund.

⁽²⁾ Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments.

⁽³⁾ Other fees and charges may include transaction fees payable to the custodian of the UJGF (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing costs, professional fees, goods and services tax and other out-of-pocket expenses.