

4 February 2022

NOTICE TO UNITHOLDERS OF:

- **United Asian Income Fund**
- **United Choice Portfolios**
 - **United Asian Bond Fund**
- **United Global Portfolios**
 - **United Global Dividend Balanced Fund**

(In this notice, "Funds" shall refer collectively to (i) the abovenamed standalone funds and (ii) where the abovenamed fund is an umbrella fund, the abovenamed sub-funds of such umbrella fund.)

Dear Unitholder

UNITED ASIAN BOND FUND, A SUB-FUND OF UNITED CHOICE PORTFOLIOS

- **CHANGE IN INVESTMENT FOCUS AND APPROACH**
- **CHANGE OF BENCHMARK**

Thank you for investing in the Funds.

Currently, each of United Asian Income Fund and United Global Dividend Balanced Fund may invest a substantial portion (i.e. 30% or more) of its assets in United Asian Bond Fund.

We, UOB Asset Management Ltd ("**UOBAM**"), the managers of the Funds, are writing to inform you of the following changes to United Asian Bond Fund which will take effect from 4 April 2022 (the "**Effective Date**").

Change in investment focus and approach of United Asian Bond Fund

The investment focus and approach of United Asian Bond Fund (referred to as the "Sub-Fund" in the table below) will be changed as follows:-

<u>Prior to the Effective Date</u>	<u>From the Effective Date</u>
<p>The Sub-Fund is actively managed with a focus on yield at an acceptable risk premium.</p> <p>There is no bias towards sovereign or corporate bonds. The emphasis is on the credit spread as the main source of incremental return. Credit analysis and credit diversification by us are important as a source of added value and to reduce unsystematic risks inherent in such investments respectively.</p> <p>Our investment style is based on the probability of credit upgrades and the extent to which the pricing has been reflected in the credit in question. The Sub-Fund's portfolio of investments will be reviewed</p>	<p>The Sub-Fund is actively managed with a focus on investing in investment grade bonds. A bond is considered investment grade (or "IG") if it is rated BBB- or higher by Standard & Poor's or BBB- or higher by Fitch Ratings, or Baa3 or higher by Moody's Investors Services. We may also consider equivalent ratings issued by other reputable credit rating agencies as determined by us, or conduct our own credit assessments to verify the ratings issued by the relevant credit rating agencies. In the event of a difference between the ratings issued by the different credit rating agencies, the lowest rating will be used to classify a bond. For split-rated bonds, we will only invest in bonds that are rated</p>

<p>regularly so as to enable the Sub-Fund to switch out of overvalued securities to undervalued securities. A long term view is taken when assessing an investment opportunity. At the same time, we recognise that Asian markets are subject to greater volatility than developed markets and may therefore require a greater level of trading than originally envisaged. Our policy generally is to have the Sub-Fund fully invested save where there is overwhelming evidence to suggest that markets are excessively overvalued.</p>	<p>IG by at least two rating agencies. For bonds that are unrated by any of the rating agencies, we will only invest in bonds with internal credit rating of BBB- and above. If a bond is downgraded below IG by any one or more of the major reputable credit rating agencies after the initial investment by the Sub-Fund, the Sub-Fund may continue to hold that bond if it is still rated IG by at least two credit rating agencies, but may not make additional investments in that bond. If there are less than two IG ratings after the downgrade, we will use our best endeavours to dispose the downgraded bond within 90 days.</p> <p>There is no bias towards sovereign or corporate bonds. The emphasis is on the credit spread as the main source of incremental return. Credit analysis and credit diversification by us are important as a source of added value and to reduce unsystematic risks inherent in such investments respectively.</p> <p>Our investment style is based on the probability of credit upgrades and the extent to which the pricing has been reflected in the credit in question. The Sub-Fund's portfolio of investments will be reviewed regularly so as to enable the Sub-Fund to switch out of overvalued securities to undervalued securities. A long term view is taken when assessing an investment opportunity. At the same time, we recognise that Asian markets are subject to greater volatility than developed markets and may therefore require a greater level of trading than originally envisaged. Our policy generally is to have the Sub-Fund fully invested save where there is overwhelming evidence to suggest that markets are excessively overvalued.</p>
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In the current volatile market environment, we believe focusing on investing in investment grade bonds could potentially reduce the volatility and enhance the risk-return profile of United Asian Bond Fund. We will accordingly divest the high yield bonds in the portfolio which constitute around 15.75% of the net asset value of United Asian Bond Fund as at 30 November 2021. At UOBAM, we have an Asian High Yield strategy which is suitable for investors who are looking for exposure to Asian High Yield fixed income securities and are comfortable with the volatility of such a strategy that invests in the high yield sector.

For the avoidance of doubt, there is no change to the investment objective of United Asian Bond Fund. There is also no change to the investment objective, focus and approach of United Asian Income Fund and United Global Dividend Balanced Fund.

Change of benchmark of United Asian Bond Fund

From the Effective Date, the benchmark of United Asian Bond Fund will be changed from J.P. Morgan Asia Credit Index Total Return Composite to J.P. Morgan Asia Credit Index Investment Grade Total Return.

The change of benchmark is to better reflect the revised investment focus and approach of United Asian Bond Fund (which is to invest primarily in investment grade bonds).

For the avoidance of doubt, there is no change to the benchmarks of United Asian Income Fund and United Global Dividend Balanced Fund.

The following options are available to you:-

Option 1

You may continue holding your units in the relevant Fund ("**Units**"). If you choose to do so, no action is required of you.

Option 2

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 relevant Fund, and the trust deed and prospectus of the relevant UOBAM Fund you wish to switch into.

Applications for switching of Units may be made by submitting the relevant form to any of our authorised agents or distributors.

Units purchased using SRS monies may only be switched to UOBAM Funds which are available for subscription using SRS monies.

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.

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 relevant Fund. Currently, there is no realisation charge imposed for realisations of Units.

If you maintain an account directly with UOBAM (and not through one of our authorised agents or distributors), please contact us at our number set out at the end of this letter by 22 March 2022 for assistance on switching your Units and we will refer you to one of our authorised agents or distributors to effect the switch.

If you choose either Option 2 or Option 3 between 4 February 2022 and 29 March 2022 (both days inclusive) (the "**Switching Period**"), there will be no switching fee or any other fees and charges imposed in respect of cash or SRS units. In addition, you will not be required to bear any SRS operator charges for SRS units. For the avoidance of doubt, normal fees and charges (including the prevailing switching fee of 1% for cash or SRS units) will apply for switches of units before or after the Switching Period.

The above changes will be reflected in a supplementary prospectus of the relevant Fund to be lodged, or in an updated prospectus of the Fund to be registered, 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.

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