

20 November 2019

Dear Unitholder

UNITED ASIAN INCOME FUND
- CHANGE IN INVESTMENT FOCUS AND APPROACH

Thank you for investing in the United Asian Income Fund (the "**Fund**").

We, UOB Asset Management Ltd (the "**Managers**"), the managers of the Fund, are writing to inform you that, with effect from 20 December 2019 (the "**Effective Date**"), the investment focus and approach of the Fund will be updated in the manner set out in the Annex of this letter so as to permit the Fund to use or invest in financial derivative instruments for the purpose of optimising returns.

For the avoidance of doubt:

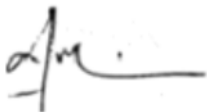
- (a) the Fund's use of or investment in financial derivative instruments shall be in accordance with the provisions of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**MAS**"), as amended from time to time;
- (b) there is no change to the investment objective of the Fund.

The above will be reflected in the updated prospectus of the Fund that is to be registered by the MAS on (or around) 20 November 2019. The updated prospectus will also contain information on the risks relating to the updated investment focus and approach of the Fund that takes effect on the Effective Date. 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.

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



Faizal Gaffoor
Chief Marketing Officer

ANNEX

Note to unitholders of the Fund: Both existing and updated provisions can be found in the updated prospectus of the Fund that is to be registered by the MAS on or around 20 November 2019. You may obtain a copy of the updated prospectus from the Managers, any of their authorised agents or distributors, or from the Managers' website at uobam.com.sg.

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

"The Fund aims to achieve its objective through a diversified portfolio of investments which may include collective investment schemes ("CIS") managed by us, other local or offshore CIS, exchange-traded funds, equities, equity-related securities, REITs, debt securities and financial derivative instruments (including but not limited to futures, options and swaps). ~~Financial derivative instruments may be used or invested in for hedging existing positions and efficient portfolio management or a combination of both purposes.~~ The Fund aims to enhance returns by using active management and more efficient market exposures by dynamically allocating capital based on each investment's respective contribution to portfolio risk which is calculated using daily volatility and correlation measurements¹ as well as regular portfolio rebalancing relative to portfolio risk targets. ~~Financial derivative instruments may be used or invested in for the purposes of hedging existing positions, efficient portfolio management, optimising returns or a combination of such purposes.~~

It is intended that at least 70% of the Fund's investments will be focused in the Asia Pacific region⁴² while the remainder may be focused in any part of the world (including the Asia Pacific region) as we may determine. However, the Fund's allocation to the Asia Pacific region may be temporarily reduced below 70% from time to time at our discretion, in particular when there is a lack of suitable investment opportunities in the Asia Pacific region.

Our approach is to select investments which they believe offer the potential for sustainable dividend yields at the required level. The regional allocation and allocation to asset classes and underlying entities may vary over time.

Initially, a substantial portion of the assets of the Fund will be invested into 4 Singapore-authorised open-ended CIS constituted and domiciled in Singapore which are also managed by us, namely:

- (i) United Asian Bond Fund (a sub-fund under the umbrella fund known as the United Choice Portfolios);*
- (ii) United Asian High Yield Bond Fund (a sub-fund under the umbrella fund known as the United Choice Portfolios);*
- (iii) United Asia Pacific Real Estate Income Fund (a sub-fund under the umbrella fund known as the United Real Estate Multi Strategy Funds); and*
- (iv) United Emerging Markets Bond Fund (a sub-fund under the umbrella fund known as the United Emerging Markets Portfolios).*

The allocation between the above schemes will be actively managed. We reserve the right, with a view to achieving the investment objective of the Fund, to invest the assets of the Fund into other local or offshore CIS in such proportions as we deem fit.

¹ The portfolio manager will calculate how the prices of different securities (such as stocks and bonds) relate to each other. This is important as it provides a better insight into diversification.

⁴² 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.

In the event of extreme market conditions or severe market stress or disruptions, as determined by us at our sole discretion, we may move up to 100% of the assets of the Fund to cash, money market instruments, money market funds or United SGD Fund (a sub-fund under the umbrella fund known as the United Choice Portfolios II) which is also constituted and domiciled in Singapore and managed by us. Further, if we find that there are no suitable investment opportunities for the Fund at any time, we may temporarily invest the Fund's assets in money market instruments, short term debt securities and/or hold cash deposits. The Fund may also hold part of its assets in liquid investments or cash for liquidity purposes."