

13 April 2020

Dear Unitholder

UNITED CHINA ONSHORE FUNDS
- **United China A-Shares Innovation Fund**

INCLUSION OF INVESTMENT RESTRICTIONS

Thank you for investing in the United China A-Shares Innovation Fund (the "**Sub-Fund**"), a sub-fund of the United China Onshore Funds (the "**Fund**").

We, UOB Asset Management Ltd (the "**Managers**"), the managers of the Fund, are writing to inform you that, with effect from 13 May 2020 (the "**Effective Date**"), the following investment restrictions will be applicable to the Sub-Fund:

"The Sub-Fund shall be subject to the investment guidelines and borrowing limits set out under Appendix 1 of the Code on Collective Investment Schemes issued by the Authority, as amended from time to time (the "**Code**").

As long as there is any Japanese institutional investor holding Units in the Sub-Fund, the Sub-Fund shall further be subject to the following investment restrictions which are compliant with the relevant rules and regulations (the "**JITA regulations**") of the Investment Trusts Association, Japan ("**JITA**"). In this respect, the Managers and the sub-manager of the Sub-Fund (the "**Sub-manager**") shall not:

- (a) utilise leveraging in the Sub-Fund;
- (b) sell any security short;
- (c) borrow monies for the purpose of leveraging the Sub-Fund;
- (d) borrow in excess of 10% of the Sub-Fund's net asset value ("**NAV**") for the purpose of meeting redemptions and bridging requirements;
- (e) invest in any "non-liquid asset" which is defined as an asset that is not listed on any stock exchanges or not a readily realisable investment;
- (f) acquire the shares of any one company (including investment corporations) if as a result of such acquisition the total number of shares of such company held by all investment funds managed by the Managers and the Sub-manager would exceed 50% of the total number of all issued and outstanding shares of such company;
- (g) enter into any transactions with itself or any of its directors as principal;
- (h) enter into any transactions which are intended to benefit only the Managers, Sub-manager or any parties other than the unitholders of the Sub-Fund ("**Holders**"), to the detriment of the Holders;
- (i) engage in currency hedging (save that the Managers and Sub-manager may engage in currency hedging at a Class level for any Class other than Class JPY Acc);
- (j) use financial derivative instruments ("**FDIs**") (save that the Managers and Sub-manager may use FDIs at a Class level for any Class other than Class JPY Acc);
- (k) invest more than 10% of the Sub-Fund's NAV in equities issued by the same issuer;
- (l) invest less than 50% of the Sub-Fund's NAV in securities;
- (m) invest in any trust-type or corporate-type investment funds;
- (n) invest in any fund of funds;
- (o) enter into any cross trade transactions.

The Managers may from time to time modify the above restrictions pursuant to, amongst others, changes in the Code or the JITA regulations. Prior notice shall be given to Holders if such modification amounts to a significant change.

In the event of any inconsistency or conflict between the provisions of the Code and the above restrictions, the stricter provision will prevail."

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

The above will be reflected in a supplementary prospectus to the registered 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. The above change has 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



Faizal Gaffoor
Managing Director | CMO