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30 June 2023

Dear Unitholder

UNITED GLOBAL RECOVERY FUNDS – UNITED CHINA-INDIA DYNAMIC GROWTH FUND
CHANGES TO INVESTMENT FOCUS AND APPROACH

Thank you for investing in the United China-India Dynamic Growth Fund (the "**Sub-Fund**"), a sub-fund of the United Global Recovery Funds, which is managed by us, UOB Asset Management Ltd (the "**Managers**" or "**UOBAM**").

The Sub-Fund's investment objective is to achieve medium to long term capital appreciation through investing mainly in the securities of corporations in, or corporations listed or to be listed on stock exchanges in, or corporations (wherever located) which, in our opinion, derive significant revenue or profits from or have significant assets or business interests in, China or India.

At UOBAM, we constantly strive towards offering better investments for our investors. Following a review of the Sub-Fund, we have decided to implement the following changes to the Sub-Fund from 31 July 2023 (the "**Effective Date**"):

a) India portfolio: The Sub-Fund's India portfolio will cease to invest all or substantially all its assets in shares of the UTI India Dynamic Equity Fund[1] (the "**Underlying India Fund**"), and we (UOBAM) will manage the Sub-Fund's India portfolio as a direct investment portfolio in accordance with the investment approach set out in Annex 1 to this letter.

b) China portfolio: We will incorporate our proprietary Artificial Intelligence Machine Learning ("**AIML**") model into our investment process for the Sub-Fund's China portfolio as further described in Annex 1 to this letter, and the risks associated with the use of the AIML model are set out in Annex 2 to this letter.

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

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The following options are available to you:

Option 1
You may continue holding your units in the Sub-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**

[1] The Underlying India Fund is a sub-fund of UTI Goldfinch Funds plc, an open-ended investment company with variable capital incorporated in Ireland and regulated by Central Bank of Ireland.

Funds") through the authorised agent or distributor from whom you originally purchased your Units, subject to the provisions of the trust deeds and the prospectuses of the United Global Recovery Funds and the relevant UOBAM Fund.

Units purchased using Supplementary Retirement Scheme ("**SRS**") monies may only be switched to UOBAM Funds which are available for subscription using SRS monies.

This notice 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(s) 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 United Global Recovery Funds. 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 **18 July 2023** 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 **30 June 2023** and **25 July 2023** (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 will be reflected in a replacement prospectus of the United Global Recovery Funds 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 and 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 faithfully

Rachel Ong
Chief Marketing Officer

<u>**ANNEX 1**</u>

Amended investment focus and approach of United China-India Dynamic Growth Fund (the "Sub-Fund") with effect from 31 July 2023

The Sub-Fund offers an opportunity for investors to tap the growth prospects of two emerging growth engines of the world – China and India.

We aim to construct a diversified portfolio of China-related and India-related securities. We will systematically vary the portfolio's investments in China and India-related securities to reflect prevailing market dynamics and valuations. Currently, we anticipate that China-related securities and India-related securities will each comprise between 40% and 60% of the Sub-Fund's portfolio of securities at any one time. We will review the geographical asset allocation of the Sub-Fund from time to time and at least on a quarterly basis, and variations may be made to the Sub-Fund's asset mix depending on valuations and prevailing market conditions.

The Sub-Fund will invest (directly or indirectly) mainly in listed equity securities. Subject to the policies stated in this paragraph, the Sub-Fund may also invest in American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and other Authorised Investments in order to meet its investment objective. We do not intend to invest the Deposited Property of the Sub-Fund in any unlisted equity securities, convertible bonds, warrants, limited partnerships, and structured products (including securitised instruments). Additionally, we do not intend to use FDIs, including forward contracts, save for efficient portfolio management in exceptional circumstances as determined by us.

In particular, investments in China-related securities may include:

- A- and B-shares (securities that are listed and traded on stock exchanges in China (such as the Shanghai Stock Exchange or Shenzhen Stock Exchange) and denominated in Renminbi, US Dollars or Hong Kong Dollars);

- H-shares (securities that are listed and traded on the Hong Kong Stock Exchange and which are mostly denominated in Hong Kong Dollars);

- S-shares (securities that are listed and traded on the Singapore Exchange Securities Trading Limited and which are mostly denominated in SGD); and

- ADRs and GDRs.

Although the China portfolio will be focused primarily on China-related securities, we have the discretion to include investments in corporations in Hong Kong in the China portfolio.

~~In the event we find that there are no suitable investment opportunities for the Sub-Fund at any time, the Sub-Fund may temporarily invest in money market instruments, short term debt securities with credit ratings of A1 by Moody's Investors Service (or their equivalent) or higher, or hold cash deposits. The Sub-Fund may also hold part of its assets in liquid investments or cash for liquidity purposes.~~

<u>China portfolio:</u>

<u>*The China portfolio is supported by combining the output from our proprietary Artificial Intelligence Machine Learning (AIML) model with a rigorous due diligence process by our regional analysts.*</u>

<u>*Artificial Intelligence Plus Human Approach*</u>

<u>*The AIML model analyses fundamental, macro and technical data of all the stocks in the investment universe. All the stocks are then ranked according to a predicted score assigned to it by the model. The top ranked stocks would then be shortlisted for further detailed due diligence by our team of regional analysts. The analyst would then select the stocks from the shortlist and rate them according to their assessment of management quality and company fundamentals, as well as potential upside from the current stock price. After this, an*</u>

optimisation model would then be used to assign weights to each stock based on the various risk constraints set together with our Risk and Performance Unit (RPU). The risk constraints can take the form of maximum allowed deviation from the benchmark country/sector weights as well as limits on single stock weighting. The portfolio is re-balanced monthly or quarterly depending on market conditions and investor preferences.

The performance and risks are then monitored and reported to the members of our local and regional investment committees comprising senior management. The AIML model is regularly reviewed and tuned to achieve optimal performance over time.

India portfolio:

We will employ a multi-step investment process, combining a bottom-up investment process that involves rigorous company research, with a top-down process to review asset allocation at the sector levels. Sector allocation is derived after analysing macroeconomic trends and country dynamics. We believe that long-term investment performance can be achieved by employing a rigorous research process that enables us to identify sound and profitable companies that generate superior returns as well as by identifying companies that are undervalued.

~~India portfolio: all or substantially all of the assets of the India portfolio will be invested in shares of the Underlying Fund. ***Nothing in this prospectus constitutes an offer or solicitation to anyone in any jurisdiction in respect of shares of the Underlying Fund or Underlying Umbrella.***~~

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, up to 100% of the Sub-Fund's assets may be temporarily held in cash and/or placed in cash deposits and/or invested in money market instruments. A portion of the Sub-Fund's assets may also be retained in liquid investments or cash for liquidity purposes.

ANNEX 2

Risks associated with the use of the AIML model

(a) Model assumptions and limitations:

Quantitative investment models are built upon various assumptions and incorporate historical data. These assumptions may not hold true in the future, and changes in market conditions can render the model ineffective. Models may have limitations in accurately predicting complex market dynamics, unexpected events, or outlier scenarios, leading to potential inaccuracies in investment decisions.

(b) Data quality and reliability:

Quantitative models rely heavily on historical data to identify patterns, correlations, and trends. However, the accuracy and reliability of the data used can impact the model's performance.

Incomplete or inaccurate data, data manipulation or biases, and data gaps can affect the model's predictive capabilities, potentially leading to flawed investment decisions.

(c) Model calibration and parameter sensitivity:

Quantitative models require regular calibration to ensure they remain aligned with changing market conditions. Failure to update model parameters in a timely and accurate manner can lead to suboptimal investment decisions.

Models can be sensitive to changes in input parameters, and slight variations in assumptions or calibration can significantly impact the model's outputs and investment recommendations.

(d) Market volatility and unforeseen events:

Quantitative models may struggle to anticipate and respond to unexpected market events or periods of high volatility, such as financial crises, geopolitical unrest, or natural disasters.

Extreme market conditions can disrupt historical patterns, rendering models less effective, and potentially leading to substantial losses if the models fail to adapt to new market realities.

(e) Execution and operational risks:

Implementing a quantitative investment model involves technical complexities and operational considerations. Errors in model implementation, programming bugs, or system failures can have adverse consequences on investment outcomes.

The reliance on automated trading or execution systems may introduce additional risks, including connectivity issues, latency, or algorithmic errors, which can lead to unintended consequences.