

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## UNITED CHINA A-SHARES INNOVATION FUND

(the “Sub-Fund”), a sub-fund of United China Onshore Funds

Product Type	Unit Trust	Launch Date	1 August 2019
Managers	UOB Asset Management Ltd	Custodians	State Street Bank and Trust Company, Singapore Branch and Industrial Commercial Bank of China Limited
Trustee	State Street Trust (SG) Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for year ended 31 December 2020 (where available)	Class A SGD Acc: 1.93% (annualised) Class A USD Acc: 1.85% (annualised) Class JPY Acc: 0.96% Class T USD Acc: N.A.

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Sub-Fund is only suitable for investors who:
  - o seek long term capital appreciation;
  - o are looking for exposure to PRC companies across all sectors which are beneficiaries of technology, innovation and trends;
  - o are comfortable with the volatility and risk of an equity fund which invests in A-Shares of such companies.
- The NAV of the Sub-Fund is likely to have high volatility due to the investment focus and approach of the Sub-Fund and/or the portfolio management techniques adopted by the Sub-manager and/or the Managers.

Refer to paragraph 3 of Appendix 1 of the Prospectus for information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a sub-fund of an umbrella unit trust constituted in Singapore which objective is to achieve long-term capital appreciation by investing primarily in A-Shares of companies listed in the PRC which are beneficiaries of technology, innovation and trends.
- Please check with your distributors for the Classes available for subscription.
- There is currently no distribution policy for the Sub-Fund.

Refer to paragraphs 1 and 2 of Appendix 1 of the Prospectus for information on features of the product.

### Investment Strategy

- The Sub-Fund seeks to achieve its investment objective by investing substantially all its assets in A-Shares of companies across all sectors which the Managers believe are expected to benefit from technology, innovation and trends that are listed in the SSE and SZSE. It may also make investments into A-Shares listed in the SME Board and/or ChiNext Market, Science and Technology Innovation Board and/or through such other programmes which allow direct investment into A-Shares.
- The Sub-Fund will be managed in an unconstrained manner and may at times be concentrated by industry sector.
- The Sub-Fund will invest primarily in equity securities. Subject to the foregoing, the Sub-Fund may invest in other securities including, without limitation, exchange traded funds and equity-related securities such as depositary receipts.

Refer to paragraph 2 of Appendix 1 of the Prospectus for information on the investment strategy of the product.

<sup>1</sup> The Prospectus is available from the Managers (whose operating address is at 80 Raffles Place, 3<sup>rd</sup> Storey, UOB Plaza 2, Singapore 048624) or through their authorised agents or distributors during their respective business hours, or through the Managers' website at [uobam.com.sg](http://uobam.com.sg).

<ul style="list-style-type: none"> <li>• The Sub-Fund will combine the results of macro-economic research, industry research, quantitative research and individual share research with the aim to achieve medium term and long term capital gains. Trends and structural changes in the general economy, various industrial sectors and the securities markets will also be analysed, and measures to control risk will be applied to maximise risk-adjusted returns.</li> <li>• Subject to the investment restrictions set out in the Prospectus, FDIs may be used or invested in for hedging existing positions, efficient portfolio management or a combination of both purposes.</li> <li>• <b>With effect from 24 August 2021:</b> Units are Excluded Investment Products. Accordingly, the Sub-Fund will not invest in any product or engage in any transaction which may cause the Units not to be regarded as Excluded Investment Products.</li> <li>• The Sub-Fund is actively managed without reference to a benchmark. There is no benchmark against which the performance of the Sub-Fund can be measured as the Managers are of the view that there is currently no available index that adequately reflects the investment focus and approach of the Sub-Fund.</li> </ul>	
<b>Parties Involved</b>	
<b>WHO ARE YOU INVESTING WITH?</b> <ul style="list-style-type: none"> <li>• The Managers are UOB Asset Management Ltd.</li> <li>• The Trustee is State Street Trust (SG) Limited.</li> <li>• The Custodians are State Street Bank and Trust Company, Singapore Branch and (in respect of the PRC Securities) the PRC Custodian.</li> <li>• The sub-manager is Ping An Fund Management Company Limited.</li> </ul>	Refer to <u>paragraphs 2, 3, 4 and 20.4</u> of the Prospectus for information on these entities and what happens if they become insolvent.
<b>KEY RISKS</b>	
<b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b> <b>The value of the Sub-Fund and its distributions (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment:</b>	Refer to <u>paragraph 8</u> of the Prospectus and <u>paragraph 5 of Appendix 1</u> of the Prospectus for information on risks of the product.
<b>Market and Credit Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to market risks.</b> <ul style="list-style-type: none"> <li>o Prices of the securities that the Sub-Fund invests in may be affected by changes in economic conditions, interest rates and the market's perception of the securities, which in turn may affect the value of your investment.</li> </ul> </li> <li>• <b>You are exposed to equity risks.</b> <ul style="list-style-type: none"> <li>o The Sub-Fund invests in stocks and other equity securities that historically have greater price volatility than bonds and other fixed income securities. This in turn may affect the value or volatility of the Sub-Fund.</li> </ul> </li> </ul>	
<b>Liquidity Risks</b>	
<ul style="list-style-type: none"> <li>• <b>The Sub-Fund is not listed and you can redeem only on Dealing Days.</b> <ul style="list-style-type: none"> <li>o There is no secondary market for the Sub-Fund. All realisation forms should be submitted to the Managers' authorised agents or distributors.</li> </ul> </li> <li>• <b>You are exposed to liquidity risks in the Sub-Fund's investments.</b> <ul style="list-style-type: none"> <li>o Investments in some emerging markets such as the PRC often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and lack of liquidity.</li> </ul> </li> </ul>	
<b>Product-Specific Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to PRC economic risk.</b> <ul style="list-style-type: none"> <li>o PRC's economy differs from most developed countries in many respects, including government involvement in its economy, level of development, growth rate and foreign exchange control. In comparison, the regulatory and legal framework for capital markets and companies is not well developed. Its rapid growth in recent years may or may not continue, and may not apply evenly across its different sectors.</li> </ul> </li> <li>• <b>You are exposed to PRC legal and regulatory risk.</b> <ul style="list-style-type: none"> <li>o Many of PRC's written laws and regulations are still untested and enforceability remains unclear. In particular, currency exchange regulations are relatively new and their application is uncertain. Such regulations also empower CSRC and SAFE to exercise discretion in their interpretation of the regulations which may result in increased uncertainties in their application.</li> </ul> </li> </ul>	

- **You are exposed to A-Shares market risk.**
  - o PRC Stock Exchanges are developing and volatility in the A-Share markets may affect the Sub-Fund's NAV. If sizeable redemption requests are received in the absence of a liquid trading market, investments may have to be liquidated at a substantial discount and the Sub-Fund may suffer losses.
  - o As the A-Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), dealings in Units may also be disrupted.
- **You are exposed to RQFII risks.**
  - o The Sub-Fund intends to invest directly in RQFII Eligible Securities via the RQFII licence of the Managers. If this licence is lost, the Sub-Fund may have to dispose of its holdings and suffer materially adverse effects.
  - o RQFII Regulations, which regulate investments by RQFIIs and repatriation of funds, are relatively new. Future revisions, applications and interpretations by the relevant authorities may prejudice the Managers' RQFII licence and the Sub-Fund's ability to repatriate funds from PRC.
  - o The Sub-Fund may be exposed to the Managers' RQFII investment restrictions, disruptions in the execution and settlement of trades by PRC Brokers and the PRC Custodian, and uncertainties of PRC taxation policies.
- **You are exposed to foreign exchange / currency risk.**
  - o Where investments are not denominated in the currency of the Sub-Fund or relevant Class, exchange rate fluctuations of the investment currency against the Sub-Fund or Class currency may affect the value of Units. Foreign currency exposure of the Sub-Fund or Class may be hedged and the Managers may adopt an active or passive currency management approach. Foreign currency exposure may not be fully hedged depending on circumstances of each case, including the outlook, hedging costs and market liquidity of the relevant currency.
  - o Where a Class is not denominated in SGD, changes in the exchange rate between SGD and the Class currency may adversely affect the value of Units of such Class, as expressed in the Class currency.
- **You are exposed to derivatives risks.**
  - o An investment in a FDI (including foreign exchange forward contracts and equity index future contracts) may require the deposit of an initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that investments in FDIs are monitored closely. The Managers have controls for investments in FDIs and have in place systems to monitor the FDI positions of the Sub-Fund.

**You should be aware that the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.**

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

#### Payable directly by you

- You will need to pay the following fees and charges as a percentage of your gross investment amount:

<b>Subscription fee</b>	Class JPY Acc: Currently none; maximum 5%. Class T: Currently none; maximum 5%. Class Z: Currently none; maximum 5%. All other Classes: Currently up to 5%; maximum 5%.
<b>Realisation fee</b>	All Classes: Currently none; maximum 1%.
<b>Switching fee</b>	Class T: Currently none; maximum 2%. All other Classes: Currently 1%; maximum 2%.

- You should check with the agent or distributor through whom you subscribe for Units whether they impose other fees and charges not disclosed in the Prospectus.

#### Payable by the Sub-Fund from invested proceeds

- The Sub-Fund will pay the following fees and charges to the Managers, Trustee and other parties:

<b>Management fee</b>	Class JPY Acc: Currently 0.6% p.a.; maximum 2.5% p.a..
<b>(a) Retained by Managers</b>	Class T: Currently 0.65% p.a.; maximum 2.5% p.a..
<b>(b) Paid by Managers to financial adviser (trailer fee)</b>	Class Z: Currently none; maximum 2.5% p.a.. All other Classes: Currently 1.75% p.a.; maximum 2.5% p.a.. (a) 62.86% to 73.71% of Management Fee (b) 26.29% to 37.14% <sup>2</sup> of Management Fee

Refer to paragraph 6 of Appendix 1 of the Prospectus for information on fees and charges.

<sup>2</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

<b>Trustee fee</b>	Currently not more than 0.05% p.a.; maximum 0.2% p.a.. (Subject always to a minimum of S\$5,000 p.a.)
<b>Registrar and transfer agent fee</b>	The higher of S\$15,000 p.a. or 0.125% p.a., subject always to a maximum of S\$25,000 p.a..
<b>Valuation and accounting fees</b>	All Classes: Currently 0.2% p.a.; maximum 0.2% p.a..
<b>Audit fee, custodian fee, transaction costs and other fees and charges</b>	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 Sub-Fund's NAV.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

Prices of Units will generally be published 2 Business Days after the relevant Dealing Day in local or foreign publications such as The Straits Times and The Business Times, and on the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers. Prices may also be obtained from authorised agents and distributors of the Managers or by calling the Managers' hotline from 8 a.m. to 8 p.m. daily (Singapore time).

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- You can exit the Sub-Fund on any Dealing Day by submitting a realisation form to the authorised agent or distributor of the Managers through whom you originally purchased Units. If applicable to you and you wish to exit the Sub-Fund within the cancellation period of 7 calendar days from the time of your subscription, you may do so by submitting a cancellation form and you will not incur the subscription fee and fees stated above. However, you will have to take the risk of any price changes in the NAV of the relevant Class of the Sub-Fund since your subscription and pay any bank charges, administrative or other fee imposed by the relevant agent or distributor.
- The Managers may limit the total number of Units which holders of the Sub-Fund or Class may realise and which the Managers are entitled to have cancelled on any Dealing Day to 10% of the total number of Units relating to the Sub-Fund or such Class then in issue (disregarding any Units which have been agreed to be issued).
- You will normally receive the realisation proceeds within 7 Business Days from the Dealing Day on which your realisation form is received and accepted.
- The realisation price of your Units is determined as follows:
  - If you submit the realisation form by 3 p.m. Singapore time on a Dealing Day, you will be paid a price based on the NAV of the relevant Class of the Sub-Fund as at the Valuation Point of that Dealing Day.
  - If you submit the realisation form after 3 p.m. Singapore time on a Dealing Day or on a day not being a Dealing Day, you will be paid a price based on the NAV of the relevant Class of the Sub-Fund as at the Valuation Point of the next Dealing Day.
- The net realisation proceeds that you will receive will be the realisation price of the relevant Class of the Sub-Fund multiplied by the number of Units realised, less any charges. An example is as follows:

1,000.00 Units	X	S\$0.900	=	S\$900.00
Your realisation request		Notional realisation price		Gross realisation proceeds
S\$900.00	–	S\$0.00	=	S\$900.00
Gross realisation proceeds		Realisation fee (0%)		Net realisation proceeds

Refer to paragraphs 9.5, 11 and 13 of the Prospectus and paragraph 9 of Appendix 1 of the Prospectus for information on valuation and exiting from the product.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

UOB Asset Management Ltd

Hotline No. : 1800 22 22 228

Operating hours : 8 a.m. to 8 p.m. daily (Singapore time)

Fax No. : 6532 3868

E-mail : [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

APPENDIX: GLOSSARY OF TERMS	
<b>A-Shares</b>	Equity securities listed on PRC Stock Exchanges selected by the Managers from time to time in relation to the Sub-Fund and denominated in Renminbi.
<b>Business Day</b>	A day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore and Hong Kong and the Shanghai and Shenzhen Stock Exchange are open for business in China, or any other day as the Managers and the Trustee may agree in writing.
<b>ChiNext Market</b>	A sub-board of the SZSE established in October 2009 which aims to attract innovative and fast-growing enterprises, especially high-tech firms. It focuses on innovative growth companies and startups.
<b>Class</b>	Any class of Units in the Sub-Fund which may be designated as a class distinct from another class in the Sub-Fund as may be determined by the Managers from time to time.
<b>CNH</b>	Offshore Renminbi.
<b>CSRC</b>	China Securities Regulatory Commission.
<b>Dealing Day</b>	In connection with the issuance, cancellation, valuation and realisation of Units, generally every Business Day. The Managers may change the Dealing Day with the Trustee's approval, provided that the Managers give reasonable notice of such change to all affected holders on terms approved by the Trustee.  If on any day which would otherwise be a Dealing Day, the recognised market on which investments of the Sub-Fund having in aggregate values amounting to at least 50% of the value of the assets of the Sub-Fund (as at the relevant Valuation Point) are quoted, listed, or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.
<b>Excluded Investment Products</b>	are defined: (a) as such under MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products issued by the Authority; and (b) as "prescribed capital markets products" under the Securities and Futures (Capital Markets Products) Regulations 2018.
<b>FDIs</b>	Financial derivative instruments.
<b>Launch Date</b>	For the purposes of this Product Highlights Sheet only, means the inception date of the Sub-Fund.
<b>NAV</b>	Net asset value.
<b>PRC</b>	People's Republic of China.
<b>PRC Brokers</b>	Brokers in the PRC appointed by the Managers for the purposes of buying and selling PRC Securities.
<b>PRC Custodian</b>	Industrial and Commercial Bank of China Limited.
<b>PRC Securities</b>	The onshore securities in the PRC invested into by the Sub-Fund.
<b>PRC Stock Exchanges</b>	SSE, SZSE and any other stock exchange that may open in the PRC in the future.
<b>Renminbi or RMB</b>	The official currency of the PRC.
<b>RQFII</b>	A Renminbi qualified foreign institutional investor under the RQFII Regulations.
<b>RQFII Eligible Securities</b>	Securities and investments permitted to be held or made by a RQFII under the RQFII Regulations.
<b>RQFII Regulations</b>	The laws and regulations governing the establishment and operation of the RQFII regime in the PRC, as may be promulgated and/or amended from time to time.
<b>SAFE</b>	PRC State Administration of Foreign Exchange.
<b>Science and Technology Innovation Board</b>	A sub-board of the SSE, designed to help growth-oriented technology innovation enterprises with their finances. The board has less stringent requirements for listing; companies need to be profitable but must have core technology or research results.



<b>SME Board</b>	A sub-board of the SZSE for the listing of small and medium-sized enterprises (SMEs). Established in May 2004, it serves companies with well-defined businesses that are stable in profitability.
<b>SSE</b>	Shanghai Stock Exchange.
<b>SZSE</b>	Shenzhen Stock Exchange.
<b>Units</b>	Units of the Sub-Fund, the relevant Class, or all relevant Classes within the Sub-Fund (as the case may be).
<b>Valuation Point</b>	The close of business of the last relevant market in relation to the relevant Dealing Day on which the NAV of the Sub-Fund or Class (as the case may be) is to be determined or such other time on the relevant Dealing Day or such other day as the Managers may determine with the prior approval of the Trustee who shall determine if the relevant holders should be informed of such change.