

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 SGD FUND

(the “Sub-Fund”), a sub-fund of United Choice Portfolios II

Product Type	Unit Trust	Launch Date	19 June 1998
Managers	UOB Asset Management Ltd	Custodian	State Street Bank and Trust Company, acting through its Singapore Branch
Trustee	State Street Trust (SG) Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the financial year ended 31 December 2019	<u>Class A (Acc) SGD, Class A (Dist) SGD, Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class B (Acc) SGD, Class S SGD Dist and Class S USD Dist (Hedged)</u> 0.36% to 0.67%

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Sub-Fund is only suitable for investors who:
  - o seek to achieve a yield enhancement over Singapore dollar deposits; and
  - o are comfortable with the volatility and risks of a bond fund which invests in money market and short term interest bearing debt instruments and bank deposits.

Further Information  
Refer to Paragraph 19 of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a unit trust constituted in Singapore that aims to provide you with a yield enhancement over Singapore dollar deposits by investing substantially all its assets in money market and short term interest bearing debt instruments and bank deposits.
- In relation to the Class A (Dist) SGD and the Class A (Dist) USD (Hedged), we currently intend to make regular quarterly distributions of 2.5% p.a. of the NAV per Unit. In relation to the Class S SGD Dist and the Class S USD Dist (Hedged), we currently intend to make monthly distributions of at least 3% p.a. of the NAV per Unit. Distributions shall be made at our absolute discretion and are not guaranteed. Distributions may be made out of capital of the relevant Class and such distributions may have the effect of lowering the NAV of the relevant Class.

Refer to the Paragraphs 1, 16, 18 and 57 of the Prospectus for further information on features of the product.

### Investment Strategy

- We intend to achieve the investment objective of the Sub-Fund by investing substantially all the assets of the Sub-Fund in money market and short term interest bearing debt instruments and bank deposits.
- Our research process is fundamental and valuation driven, and bottom-up in approach.

Refer to Paragraphs 16, 17, 22 and 27.4 of the Prospectus for further information on the investment focus and approach of the Sub-Fund and its exposure to FDIs.

<sup>1</sup> The Prospectus is available for collection at our operating office at 80 Raffles Place, 3<sup>rd</sup> Storey, UOB Plaza 2, Singapore 048624 or through our authorised agents or distributors during normal business hours, or accessible at [uobam.com.sg](http://uobam.com.sg).

<ul style="list-style-type: none"> <li>• For Singapore, Asia and emerging markets, our team of credit analysts conducts a detailed credit analysis that evaluates industry outlook, business review, financial review, management expertise, strength of ownership and specific debt structure. This results in an implied rating score. Relative valuation will determine corporate credit selection.</li> <li>• For rated issuers, mainly US/Europe high grade issuers, to supplement the fundamental analysis by their G10 credit team, we have implemented a quantitative credit risk approach based from the KMV model. This model uses the Merton option framework to calculate the implied asset volatility or the Expected Default Frequency (EDF) of any corporate bond issue. Other inputs include an asset correlation database, which is generated from a proprietary risk management system. Together, the model will calculate the return-expected loss trade off for any corporate bond issue.</li> <li>• <b><i>The Sub-Fund may use or invest in FDIs for the purposes of hedging existing positions in a portfolio, for efficient portfolio management or a combination of both purposes.</i></b></li> <li>• The Sub-Fund is actively managed without reference to its benchmark (as set out in the Prospectus), which is used as a target for the Sub-Fund to beat.</li> <li>• 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> </ul>	
<b>Parties Involved</b>	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <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 Custodian is State Street Bank and Trust Company, acting through its Singapore Branch.</li> </ul>	<p>Refer to <u>Parts II and III and Paragraph 55</u> of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p>
<b>KEY RISKS</b>	
<p><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></p>	<p>Refer to <u>Part IX</u> of the Prospectus for further information on risks of the product.</p>
<b>Market and Credit Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to the market risk in the global markets.</b> Prices of 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> <li>• <b>You are exposed to credit and default risks.</b> Adverse changes in the financial condition of the issuer of the debt securities which the Sub-Fund is invested in, or in general economic conditions, or both, or an unanticipated rise in interest rates, may increase the potential for default.</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> There is no secondary market for the Sub-Fund. All realisation forms should be submitted to our authorised agents or distributors.</li> <li>• <b>You are exposed to liquidity risk.</b> Investments by the Sub-Fund in some Asian and/ or emerging markets 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 the lack of liquidity.</li> </ul>	
<b>Product-Specific Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to interest rate risk.</b> The Sub-Fund's investments in debt securities are subject to the risk of interest rate fluctuations which may cause the prices of debt securities to go up or down.</li> <li>• <b>You are exposed to political risk.</b> The Sub-Fund's investments may be adversely affected by political instability, exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls.</li> </ul>	

- **You are exposed to derivatives risk.** The Sub-Fund may use or invest in FDIs. An investment in a FDI may require the deposit of 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. We have the controls for investments in FDIs and have in place systems to monitor the derivative positions of the Sub-Fund.
- **You are exposed to foreign exchange and currency risk.** Where the Sub-Fund makes investments which are denominated in foreign currencies, fluctuations in the exchange rates of the currency or currencies in which the underlying assets of the Sub-Fund are denominated against the Sub-Fund's base currency (SGD) and/or the denominated currency of the relevant Class may affect the value of the relevant Units. The Sub-Fund's or the relevant Class' foreign currency exposure may not be fully hedged depending on the circumstances of each case.
- **You are exposed to risk relating to distributions.** Dividend/interest income of the Distribution Classes may be adversely affected by events such as (but not limited to) investee entities suffering unexpected losses and/or paying lower than expected dividends, and adverse currency exchange rate fluctuations. Distributions made from capital may reduce the relevant Holder's original investment and result in reduced future returns. Payment of distributions (whether out of capital or otherwise) may have the effect of lowering the NAV of the relevant Class.
- **Other risks to your investment include the risk of investing in small capitalisation companies, single country, sector or region risk, counterparty risk, broker risk, investment management risk and risk of using rating agencies and other third parties.**

#### 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 sum:

<b>Subscription Fee</b>	<b>Class A (Acc) SGD</b> Cash Units and SRS Units: Currently up to 2%; maximum 5% CPF Units: Currently none; maximum none <b>All other Classes</b> Currently up to 2%; maximum 5%
<b>Realisation Charge</b>	Currently none
<b>Switching Fee</b>	Currently 1%; maximum 1%

- Our authorised agents and distributors through whom you subscribe for Units may impose other fees and charges that are not disclosed in the Prospectus. You should check with the relevant authorised agents or distributors on such fees and charges, if any.

Payable by the Sub-Fund from invested proceeds

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

<b>Management Fee</b> <b>(a) Retained by Managers</b> <b>(b) Paid by Managers to financial adviser (trailer fee)</b>	<b>Class B (Acc) SGD</b> Currently 0.33%; maximum 1.5% p.a. <b>All other Classes</b> Currently 0.63%; maximum 1.5% p.a.  (a) 36.51% to 90.08% of Management Fee (b) 9.92% to 63.49% <sup>2</sup> of Management Fee
<b>Trustee fee (paid by the Managers out of the Management Fee)</b>	Currently below 0.05% p.a.; maximum 0.1% p.a.. (Subject to a maximum of S\$45,000 p.a..)
<b>Valuation and accounting fee</b>	Based on a tiered structure
<b>Registrar and transfer agent fee</b>	Based on a tiered structure

Refer to [Part VIII](#) of the Prospectus for further 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.

**Audit fee, custodian fee, transaction costs and other fees and charges**

Subject to agreement with the relevant parties. Each of the fees and charges 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 our website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by us. Prices may also be obtained from our authorised agents and distributors or by calling our hotline from 8 a.m. to 8 p.m. daily (Singapore time).

Refer to [Paragraph 34 and Parts XII and XIV](#) of the Prospectus for further information on valuation and exiting from the product.

### 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 your Units were originally purchased. 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 fees imposed by the relevant authorised agent or distributor.
- We may limit the total number of Units of the Sub-Fund which Holders may realise and which we are entitled to have cancelled on any Dealing Day up to 10% of the total number of Units then in issue.
- 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:
  - o 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.
  - o 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 charge (0%)		Net realisation proceeds

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

UOB Asset Management Ltd

Hotline No. : 1800 22 22 228  
 Operating hours : From 8 a.m. to 8 p.m. daily Singapore time  
 Fax No. : 6532 3868  
 E-mail : [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

<b>APPENDIX: GLOSSARY OF TERMS</b>	
<b>Business Day:</b>	Any day (other than a Saturday or Sunday or a gazetted public holiday) on which commercial banks in the Republic of Singapore are open for business or any other day as the Managers and the Trustee may agree in writing.
<b>Class:</b>	Any class of Units of the Sub-Fund.
<b>Dealing Day:</b>	In connection with the issuance, cancellation, valuation and realisation of Units of the Sub-Fund, means every Business Day or such other day as provided in the Deed.
<b>Deed:</b>	The trust deed of the Fund, as amended.
<b>Distribution Classes:</b>	A Class for which distributions are declared and paid to the Holders in accordance with the applicable distribution policies of that Class.
<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 Monetary Authority of Singapore; and (b) as “prescribed capital markets products” under the Securities and Futures (Capital Markets Products) Regulations 2018.
<b>FDIs or derivatives:</b>	Financial derivative instruments.
<b>Fund:</b>	United Choice Portfolios II.
<b>Hedged Class:</b>	A Class to which a currency hedging strategy is applied.
<b>Holder:</b>	A unitholder of the Sub-Fund.
<b>Launch Date:</b>	For the purposes of this Product Highlights Sheet only, means the inception date of the Class with the earliest inception date.
<b>NAV:</b>	Net asset value.
<b>SGD:</b>	The lawful currency of the Republic of Singapore.
<b>Units:</b>	Units of a Class or all Classes (as the context requires).
<b>USD:</b>	United States dollars.
<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 a Class of the Sub-Fund is to be determined pursuant to the provisions of the trust deed constituting the Sub-Fund (as amended) or such other time on the relevant Dealing Day or such other day as the Managers with the approval of the Trustee may from time to time determine and the Trustee shall determine if Holders should be informed of such change.