

**8 June 2018**

Dear Unitholder

**UNITED GLOBAL DIVIDEND EQUITY FUND  
- APPOINTMENT OF SUB-MANAGER, CHANGE IN INVESTMENT FOCUS AND APPROACH AND  
OTHER CHANGES**

Thank you for investing in the United Global Dividend Equity Fund (the “**Sub-Fund**”), a sub-fund of United Choice Portfolios (the “**Fund**”).

We, UOB Asset Management Ltd, the managers of the Sub-Fund, are writing to inform you of changes to the Sub-Fund which will take effect from 9 July 2018 (the “**Effective Date**”).

**A) Appointment of sub-manager of the Sub-Fund**

In a continuous effort to rationalise our resources, we will be appointing Wellington Management Singapore Pte Ltd (the “**Sub-Manager**”) as the sub-manager of the Sub-Fund with effect from the Effective Date. The Sub-Manager holds a Capital Markets Services Licence (CMS CMS100444-1) issued by the Monetary Authority of Singapore and is domiciled in Singapore. The Sub-Manager may, in turn, from time to time delegate any or all of its investment sub-management function for the Sub-Fund to any one or more of its affiliates set out below (collectively, the “**Sub-Investment Managers**”):

(i) Wellington Management Company LLP

Wellington Management Company LLP is domiciled in the United States (“**U.S.**”) and its financial supervisory authority is the U.S. Securities and Exchange Commission (the “**SEC**”).

(ii) Wellington Management International Ltd

Wellington Management International Ltd is domiciled in the United Kingdom and its financial supervisory authorities are the Financial Conduct Authority and the SEC.

(iii) Wellington Management Japan Pte Ltd

Wellington Management Japan Pte Ltd is established under Singapore law and has its main office in Tokyo, Japan. It is regulated by the Financial Services Agency in Japan and is registered with the SEC in the U.S. as an investment adviser.

The Sub-Manager and the Sub-Investment Managers are wholly owned subsidiaries of Wellington Management Group LLP. The Wellington Management group has been managing collective investment schemes and discretionary funds for over 80 years, and serves as investment manager to clients in more than 50 countries.

**B) Change in investment focus and approach of the Sub-Fund**

As we will be delegating the investment management of all of the Sub-Fund’s assets to the Sub-Manager with effect from the Effective Date, the investment focus and approach of the Sub-Fund will correspondingly also be changed with effect from the Effective Date:-

### Current investment focus and approach

Currently, the investment focus and approach of the Sub-Fund is as follows:-

*“Companies in which the Sub-Fund invests are selected based on a number of criteria including: above average dividend yield, good management, sound fundamentals, consistent profitability and earnings growth prospects. This combination should ensure the regular payment of dividends as well as the potential for capital appreciation. Due to the emphasis on dividend and quality, the Sub-Fund is likely to possess below - average exposure in low yielding countries and low yielding sectors. Hence, absolute volatility and downside risk should be relatively lower for the Sub-Fund.*

*However, there may be less room for price performance in an environment where investors are oriented towards growth investing strategies. This is mainly due to the fact that the Sub-Fund tends to avoid sectors like technology due to its lower yield characteristics. Consequently, the Sub-Fund may not track the global equities index as closely as more “mainstream” global benchmark equities products. The lower correlation with “mainstream” global funds and lower volatility of the product offers diversification advantages. We adopt a bottom-up approach, leveraging on our established global research capability to optimise the portfolio to best meet its stated objectives. On this basis, the portfolio of the Sub-Fund comprises mostly “value” stocks which have high dividend yield and price performance potential. We will realise the investments of the Sub-Fund when, in our opinion, a fair value is reached or when better investment alternatives present themselves.”*

### New investment focus and approach

The investment focus and approach of the Sub-Fund will be changed to the following with effect from the Effective Date:-

*“The Sub-Manager will manage the Sub-Fund based on a risk-controlled approach that seeks to deliver a risk-return profile more attractive than that offered by broad capitalisation-weighted indices over the long term and aims to deliver dividend yield higher than the MSCI AC World Index, which is the benchmark of the Sub-Fund. The approach seeks to reduce global equity market risk by approximately 20% by focusing on lower-volatility global equities and exploiting their apparent systematic mispricing and to also provide current income by targeting above market yield levels, while adding value through skilled active management.*

*To achieve this risk-return profile, the Sub-Manager uses a highly systematic and risk-controlled approach. A key goal is to maximise return while minimising uncompensated risks. To achieve this, the Sub-Manager will tap the benefits of efficient global diversification through robust portfolio construction, while adding additional return through the use of independent alpha sources reflecting diverse themes and investment horizons.*

*A unique facet of this approach is “Contextualization”, which is a sophisticated factor weighting approach that adjusts factor weights to individual stocks based on their predictive power. Another distinctive characteristic is the Sub-Manager’s proprietary risk model, which improves risk-prediction accuracy and allows the Sub-Manager to adapt portfolios more quickly to changing market environment regimes.*

*The Sub-Manager optimises the risk and return profile of its portfolios using a proprietary portfolio construction process. This proprietary tool will allow the Sub-Manager to integrate its long-term stock-return forecasts with its proprietary risk models, while incorporating the likelihood of short-term price movements and transaction-cost considerations.*

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

### **C) Specific risks**

In view of the change in investment focus and approach of the Sub-Fund, please note that there will be 2 additional risks which investors will need to take note of or consider before investing in the Sub-Fund.

#### **(i) Concentration risk**

Concentration of investments in a relatively small number of securities, sectors or industries, or geographical regions may significantly affect the performance of the Sub-Fund as it may be subject to less diversification.

#### **(ii) Issuer specific risk**

A security issued by a particular issuer may be impacted by factors that are unique to that issuer and thus may cause that security's return to differ from that of the market.

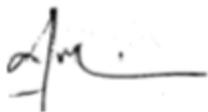
For clarity, please note that there will be no change to the investment objective of the Sub-Fund. There will also be no change to the fees and charges payable by you or by the Sub-Fund (including the management fee of the Sub-Fund) in connection with the above changes. The fees of the Sub-Manager will be paid by us and such fees will not be charged to the Sub-Fund.

The above changes (together with consequential and other amendments) 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 the supplementary prospectus from us or any of our authorised agents or distributors, or from our website at [uobam.com.sg](http://uobam.com.sg).

**This notice is for your information only and no action is required to be taken by you. The above changes have no effect on your current holding of units (i.e. the number of units you hold) 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](mailto:uobam@uobgroup.com).

Yours sincerely



Faizal Gaffoor  
Chief Marketing Officer