

## **United SGD Fund (the “ILP Sub-Fund”)**

**This Fund Summary should be read in conjunction with the Product Summary**

### **Structure of ILP Sub-Fund**

The ILP Sub-Fund is an open-ended feeder fund and invests all or substantially all of its assets into the United SGD Fund (the “Underlying Fund”), a Singapore-authorized stand-alone open-ended fund constituted in Singapore. The Underlying Fund is denominated in Singapore dollars.

The units in the ILP Sub-Fund are not classified as Excluded Investment Products.

### **Information on the Manager**

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“UOB”). Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Authority. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan. UOBAM has two joint ventures: Ping An UOB Fund Management Company Ltd and UOB-SM Asset Management Pte Ltd. In addition, it also has a strategic alliance with UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals through customised portfolio management services and unit trusts. As at 30 November 2016, UOBAM manages 59 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM’s investments team conducts independent and rigorous fundamental research within a proven investment process and framework. In equities, UOBAM’s team has acquired specialist skills in investment in global markets and major global sectors. It combines a disciplined research effort that aims to identify and invest in high performing businesses at the right price, with a systematic model portfolio construction process, to diversify sources of alpha to achieve more consistent performance over time. In fixed income, UOBAM’s coverage spans a wide spectrum comprising G10 government bonds, developed market corporate bonds, Asia sovereigns and corporates, emerging market bonds and Singapore fixed income. In addition to independent research to uncover relative value opportunities, UOBAM adopts diversified investment strategies combined with active risk management to generate sustainable total return for its portfolios.

Since 1996, UOBAM has won a total of 161 awards in Singapore. These awards recognise UOBAM’s investment performance across different markets and sectors.

As at 30 November 2016, UOBAM and its subsidiaries in the region have a staff strength of over 300 including about 50 investment professionals in Singapore.

### **Other Parties**

Please refer to the sections on “The Trustee and the Custodian” and “Other Parties” in the United SGD Fund Prospectus for details of other parties involved in the Underlying Fund.

### **Investment Objectives, Focus and Approach**

The investment objective, focus and approach of the Underlying Fund is described in the section under “Investment Objective, Focus and Approach” in the Underlying Fund.

### **Risks**

Please refer to the section on “Risks” in the Underlying Fund Prospectus for a description of the risk factors associated with investing in the Underlying Fund. The risks may include:

**Market Risk in the Global Market**

You should consider and satisfy yourself as to the usual risks of investing and participating in publicly traded securities. Prices of securities that the Underlying Fund invests in may be affected by changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the price of Units to rise or fall.

**Foreign Exchange and Currency Risk**

The Underlying Fund is denominated in Singapore dollars and the Classes are each denominated in the relevant currency (which may or may not be Singapore dollars). Where the Underlying 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 Underlying Fund are denominated (the "Portfolio Currency") against the base currency of the Underlying Fund and/or the denominated currency of the relevant Class may affect the value of the relevant Units. In our management of the Underlying Fund, UOB may hedge the foreign currency exposure of the Underlying Fund or any Class against the Portfolio Currency and may adopt an active or passive currency management approach in doing so. However, the foreign currency exposure of the Underlying Fund or the relevant Class may not be fully hedged depending on the circumstances of each case. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency. Subject to the provisions of the Code, in the hedging of any such foreign currency exposure of the relevant Class, UOB may hedge up to 100% of the proportion of the NAV attributed to such Class.

**Political Risk**

The Underlying Fund's investments may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the relevant countries.

**Derivatives Risk**

As the Underlying Fund may (subject to the Code) use or invest in FDIs, it will be subject to risks associated with such investments. FDIs include, but are not limited to, foreign exchange forward contracts. 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.

**Liquidity Risk**

Investments by the Underlying 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 often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity which are inherent characteristics of these markets.

**Small Capitalisation Companies Risk**

Investments in companies with small capitalisation generally carry greater risk than is customarily associated with companies with larger capitalisation, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. The result may be greater volatility in the share prices.

**Single Country, Sector or Region Risk**

You should be aware that investments in a single country, sector or region which may present greater opportunities and potential for capital appreciation may be subject to higher risks as they may be less diversified than a global portfolio.

**Interest Rate Risks**

The Underlying Fund's investments in debt securities are subject to the risk of interest rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.

**Credit and Default Risks**

Adverse changes in the financial condition of the issuer of the debt securities which the Underlying Fund is invested in, or in general economic conditions, or both, or an unanticipated rise in interest rates, may increase the potential for default.

**Fees and Charges**

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Fund.

Fund Name	AMC
United SGD Fund	0.63% <sup>1</sup>

**Past Performance<sup>2</sup>:** as at 30 November 2016

**NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

**Cumulative Performance and Benchmark of the Underlying Fund**

Underlying Fund / Benchmark	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception *
United SGD Fund/ <i>SIBID</i>	3.36%	9.48%	22.83%	49.97%	84.27%
	0.82%	1.79%	2.18%	7.31%	25.15%

**Annualised Performance and Benchmark of the Underlying Fund**

Underlying Fund / Benchmark	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception *
United SGD Fund / <i>SIBID</i>	3.36%	3.06%	4.19%	4.13%	3.37%
	1.15%	0.71%	0.50%	0.74%	1.24%

Source: Lipper

\* *United SGD Fund A Acc SGD* : Incepted on 19 June 1998

<sup>2</sup> Performance shown in fund currency and calculated before sales charges are deducted. Fees and charges payable through deduction of premium or cancellation of units are excluded in deriving the performance. Performance is calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

**Expense Ratio and Turnover Ratio of the Underlying Fund**

Underlying Fund	Expense Ratio	Turnover Ratio
United SGD Fund	0.66%	60.65%

The expense and turnover ratios stated in the table above are for year ended 30 June 2016.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore guidelines on the disclosure of expense ratios. It does not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, foreign exchange gains /losses, front or back-end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. It is calculated by dividing expenses by daily average NAV, and multiplied by the appropriate factor to annualise the figure and is disclosed as a percentage.

The turnover ratio is calculated based on the lower of purchases and sales expressed as a percentage of the daily average net asset value.

### **Soft Dollar Commissions or Arrangements**

The Managers may from time to time receive or enter into soft-dollar commissions or arrangements in the management of the Underlying Fund. The soft-dollar commissions or arrangements which the Managers may receive or enter into include specific advice as to the advisability of dealing in, or of the value of any investment, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurement, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodian service in relation to the investments managed for clients.

Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Managers may not accept or enter into soft-dollar commissions or arrangements in respect of the Underlying Fund unless such soft-dollar commissions or arrangements shall reasonably assist them in their management of the Underlying Fund, provided that the Managers shall ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements. The Managers do not and are not entitled to, retain cash rebates for their own account in respect of rebates earned when transacting in securities for account of the Underlying Fund.

### **Conflicts of Interest**

The Managers are of the view that there is no conflict of interest in managing their other funds and the Underlying Fund (United SGD Fund) because of the following structures in place:-

- Investment decisions for each fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- All investment ideas are shared equally among fund managers.
- The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute (the CFA Institute™) in U.S.A. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of the CFA Institute and candidates, who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.
- In addition, despite the possible overlap in the scope of investments, none of the funds are identical to one another and investment decisions are made according to the individual risk return characteristic of the fund.

Most importantly, the Managers' usual fair and unbiased practice is to allocate investments between various funds which place the same orders simultaneously on a pro rata basis. However, should any potential conflict of interest arise from a situation of competing orders for the same securities, the Managers adopt an average pricing policy whereby orders that are partially fulfilled on a particular day shall be allotted proportionately among the funds based on their respective initial order size and such quantity allotted shall be at the average price of such investments on that particular day.

### **Reports**

The financial year-end of the ILP Sub-Fund is 30 June. Aviva Ltd will make available semi-annual report and annual audited report of the ILP Sub-Fund within 2 months and 3 months respectively from the relevant reporting periods.

In addition, Aviva Ltd will make available financial reports of the Underlying Fund as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website [www.aviva.com.sg](http://www.aviva.com.sg).



### **Specialised ILP Sub-Fund**

The ILP sub-fund is not a specialised sub-fund as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.