

Ref. No.: UOBAM(M)/2023/PDMC/052

Date: 13 February 2023

Dear Unit Holders,

**RE: United-i ESG Series – High Quality Sukuk Fund (“Fund”)
 - Issuance of First Supplementary Prospectus (“Supplementary Prospectus”)**

Thank you for investing in the Fund.

Please be informed that we will be amending the following sections pertaining to the Fund to reflect the changes made from the revised Guidelines on Unit Trust Funds by issuing the Supplementary Prospectus which will be registered with the Securities Commission Malaysia.

Please note that the following does not represent all the amendments which will be made via the Supplementary Prospectus, and is subject to changes as may be required by the SC.

The following changes shall apply on the date of issue of the Supplementary Prospectus: -

Section	Prospectus	Change in Supplementary Prospectus
Section 1.7 Investment Policy and Strategy	5th paragraph The Investment Manager may use Islamic derivatives instruments such as Islamic options, Islamic futures contracts, Islamic forwards contracts or Islamic swaps for hedging purposes. In the event of a downgrade in the rating of a counterparty of an OTC Islamic derivative, the Investment Manager reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit Holders.	5th paragraph When deemed necessary, we and/or the Investment Manager may use Islamic derivatives such as Islamic options, Islamic futures contracts, Islamic forward contracts or Islamic swaps for the purpose of hedging. In the event of a downgrade in the rating of a counterparty of an OTC Islamic derivative, we and/or the Investment Manager reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit Holders. We and/or the Investment Manager will ensure that the Fund's global exposure from financial derivatives position does not exceed the Fund's NAV at all times. Such exposure will be calculated using the commitment approach as described in Appendix A.
Section 1.13 Investment Restrictions and Limits	<ol style="list-style-type: none"> The aggregate value of the Fund's investments in Sukuk or Islamic money market instruments issued by a single issuer must not exceed 10% of the Fund's NAV. The value of the Fund's placement in Islamic Deposits with any single Financial Institution must not exceed 20% of the Fund's NAV. In the case where the Fund invests in the following assets, the limit in clause 1 and clause 2 above is lowered to 5%: <ol style="list-style-type: none"> Islamic Deposits placed with unrated or non-investment grade Financial Institution; and Sukuk or Islamic money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body. <p>Notwithstanding clause 3(b), we may rely on the rating of an unrated or non-investment</p> 	<ol style="list-style-type: none"> The aggregate value of the Fund's investments in Sukuk or Islamic money market instruments issued by a single issuer must not exceed 10% of the Fund's NAV. The value of the Fund's placement in Islamic Deposits with any single Financial Institution must not exceed 20% of the Fund's NAV. This limit does not apply to placements of deposits arising from: <ol style="list-style-type: none"> liquidation of investments prior to the termination of the Fund, where the placement of deposits with various financial institutions would not be in the best interests of Unit Holders; or monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of Unit Holders.

	<p>grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place.</p> <p>4. For investment in Islamic derivatives:</p> <p>(a) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the Guidelines;</p> <p>(b) the counter-party of an OTC Islamic derivative is a Financial Institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations; and</p> <p>(c) the value of the Fund's OTC Islamic derivative transaction with any single counter-party with a minimum long-term rating of investment grade must not exceed 10% of the Fund's NAV. In any other case, the limit is 5% of the Fund's NAV.</p> <p>5. The aggregate value of the Fund's investments in Sukuk, Islamic money market instruments, Islamic Deposits and OTC Islamic derivatives issued by or placed with, as the case may be, any single business group, must not exceed 20% of the Fund's NAV. For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body.</p> <p>6. The Fund may invest up to 15% of the Fund's NAV in aggregate in Sukuk or Islamic money market instruments issued by a single body if the issuing body or the guarantor of the Sukuk or Islamic money market instruments is a government or sovereign or central bank with an international long-term issuer rating of investment grade. However, if the issuing body or the guarantor of the Sukuk or Islamic money market instruments is the Malaysian government or Bank Negara Malaysia, the Fund may invest up to 35% of the Fund's NAV in aggregate in Sukuk or Islamic money market instruments. For the avoidance of doubt, government or sovereign or central bank Sukuk with an international long-term rating that is of non-investment grade will be subject to the 5% limit in clause 3 above.</p> <p>7. The aggregate value of the Fund's investments in:</p> <p>(a) Islamic Deposits placed with unrated or non-investment grade Financial Institution;</p> <p>(b) Sukuk or Islamic money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body; and</p>	<p>3. In the case where the Fund invests in the following assets, the limit in clause 1 and clause 2 above is lowered to 5%:-</p> <p>(a) Islamic Deposits placed with unrated or non-investment grade Financial Institution; and</p> <p>(b) Sukuk or Islamic money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body.</p> <p>Notwithstanding clause 3(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place.</p> <p>4. The counterparty of an over-the-counter ("OTC") Islamic derivative must be a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories) and subject to the aggregate limit in this section, the maximum exposure of the Fund to a counterparty, calculated based on:</p> <p>(a) the exposure to a counterparty of an OTC Islamic derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC Islamic derivative; and</p> <p>(b) the total exposure to a single counterparty is calculated by summing the exposure arising from all OTC Islamic derivative transactions entered into with the same counterparty, must not exceed 10% of the Fund's NAV.</p> <p>5. The aggregate value of the Fund's investments in Sukuk, Islamic money market instruments, Islamic Deposits and OTC Islamic derivatives issued by or placed with, as the case may be, any single business group must not exceed 20% of the Fund's NAV. For the purposes of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body.</p> <p>6. The Fund may invest up to 35% of the Fund's NAV in aggregate in Sukuk or Islamic money market instruments issued by a single body if the issuing body or the guarantor of the Sukuk or Islamic money market instruments is a government or sovereign or central bank with a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency. For the</p>
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<p>(c) OTC Islamic derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Fund's NAV. However, this aggregate limit does not apply to Islamic Deposits, Sukuk or Islamic money market instruments or OTC Islamic derivatives where the:</p> <ul style="list-style-type: none"> (i) Financial Institution, issuing body or counterparty is rated investment grade only with a national rating scale; and (ii) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade. <p>8. The value of the Fund's investments in units of each Islamic Qualifying CIS or Islamic non-Qualifying CIS authorised in signatory countries for public offers must not exceed 10% of the Fund's NAV.</p> <p>9. The value of the Fund's investment in units of all Islamic non-Qualifying CIS (excluding investment in units of Islamic non-Qualifying CIS where the invested assets are Islamic real estate and/or Islamic real estate-related, provided that the units of the Islamic non-Qualifying CIS are listed for quotation and traded on an organised exchange in a signatory country) must not exceed 30% of the Fund's NAV.</p> <p>10. The Fund's investments in Sukuk must not exceed 10% of the Sukuk issued by any single issuer.</p> <p>11. The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer.</p> <p>12. The Fund's investments in Islamic collective investment schemes must not exceed 25% of the units/shares in any one Islamic collective investment scheme.</p> <p>The above stated restrictions and limits shall be complied with at all times based on the most up-to-date value of the Fund's assets. However, a 5% allowance in excess of any restriction or limit may be permitted where the restriction or limit is breached through the appreciation or depreciation in the NAV of the Fund (as a result of an appreciation or depreciation in value of the Fund's assets or as a result of the redemption of Units or payment made out of the Fund). Once the relevant restriction or limit is breached, no further acquisitions of the particular investment involved shall be made and we should, within a reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach. In addition, we shall</p>	<p>avoidance of doubt, government or sovereign or central bank Sukuk with an international long-term rating that is of non-investment grade will be subject to the 5% limit in clause 3 above.</p> <p>7. The aggregate value of the Fund's investment in:-</p> <ul style="list-style-type: none"> (a) Islamic Deposits placed with unrated or non-investment grade Financial Institution; (b) Sukuk or Islamic money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body; (c) Islamic CIS that do not comply with the requirements of the Guidelines; and (d) OTC Islamic derivatives with non-investment grade or unrated counterparty <p>must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single Islamic CIS, as the case may be. However, this aggregate limit does not apply to Islamic Deposits, Sukuk or Islamic money market instruments or OTC Islamic derivatives where the:-</p> <ul style="list-style-type: none"> (i) Financial Institution, issuing body or counterparty is rated investment grade only with a national rating scale; and (ii) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade. <p>8. The value of the Fund's investments in units of each Islamic Qualifying CIS or Islamic non-Qualifying CIS authorised in signatory countries for public offers must not exceed 10% of the Fund's NAV.</p> <p>9. The value of the Fund's investment in units of all Islamic non-Qualifying CIS (excluding investment in units of Islamic non-Qualifying CIS where the invested assets are Islamic real estate and/or Islamic real estate-related, provided that the units of the Islamic non-Qualifying CIS are listed for quotation and traded on an organised exchange in a signatory country) must not exceed 20% of the Fund's NAV.</p> <p>10. The Fund's investments in Sukuk must not exceed 10% of the Sukuk issued by a single issuer.</p> <p>11. The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money</p>
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	<p>inform the SC and the Trustee within three (3) Business Days after we become aware of such breach, except in the event of any breach of the investment limits that is not the consequence of an investment decision.</p> <p>Note: <i>All references to "investment grade" are defined as a rating based on an international scale unless specifically stipulated otherwise.</i></p>	<p>market instruments that do not have a pre-determined issue size.</p> <p>12. The Fund's investments in Islamic collective investment schemes must not exceed 25% of the units or shares in the Islamic collective investment scheme.</p> <p>The above stated limits and restrictions must be complied with at all times based on the most up-to-date value of the Fund's investments. Such limits and restrictions however, do not apply to securities or instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</p> <p>We shall notify the SC, within seven (7) Business Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. Notwithstanding the above, any breach as a result of the following:-</p> <p>(a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of units or payment made out of the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating,</p> <p>need not be reported to the SC but must be rectified as soon as practicable within three months from the date of the breach. The three-month period may be extended if it is in the best interest of Unit Holders and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee.</p>
<p>Section 3.4 Redemption of Units</p>	<p><u>6th paragraph</u> Redemption proceeds will be paid within seven (7) Business Days or ten (10) days of the date we receive a complete redemption request form.</p>	<p><u>6th paragraph</u> Redemption proceeds will be paid within seven (7) Business Days from the date we receive a complete redemption request form.</p>
<p>Section 3.5 Cooling-off Policy</p>	<p><u>2nd & 3rd paragraph</u> Within the cooling-off period, the refund to the Unit Holders for every Unit held by the Unit Holders shall be the sum of:</p> <p>(a) the price of the Units on the day the Units were purchased; and (b) the sales charge originally imposed on the day the Units were purchased.</p> <p>In other words, the Unit Holders shall be refunded with their original investment proceeds within seven (7) Business Days or (10) days, whichever is shorter, from the date of receipt of the cooling-off notice from the Unit Holders.</p>	<p><u>2nd & 3rd paragraph</u> Within the cooling-off period, the refund to the Unit Holders for every Unit held by the Unit Holders shall be as follows:</p> <p>(a) if the price of the Units on the day the Units were purchased is higher than the price of the Units on the day the Units at the point of exercise of the cooling-off right ("Exercise Price"), the Exercise Price at the point of cooling-off and the sales charge originally imposed on the day the Units were purchased; or (b) if the Exercise Price is higher than the price of the Units on the day the Units were purchased, the price of the Units on the day the Units were purchased and the sales</p>

		<p>charge originally imposed on the day the Units were purchased.</p> <p>The Unit Holders shall be refunded their monies within seven (7) Business Days of the date of receipt of the cooling-off notice from the Unit Holders.</p>
<p>APPENDIX A: COMMITMENT APPROACH</p>	<p>Not in current prospectus.</p>	<p>The global exposure of the Fund is calculated as the sum of the –</p> <ul style="list-style-type: none"> (a) absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements; (b) absolute value of the net exposure of each individual derivative after netting or hedging arrangements; and (c) the values of cash collateral received pursuant to the reduction of exposure to counterparties of OTC derivatives. <p><u>Netting arrangements</u></p> <ul style="list-style-type: none"> (1) Netting arrangements may be taken into account to reduce the Fund's exposure to derivatives. (2) The Fund may net positions between– <ul style="list-style-type: none"> (a) derivatives on the same underlying constituents, even if the maturity dates are different; or (b) derivatives and the same corresponding underlying constituents, if those underlying constituents are transferable securities, money market instruments, or units or shares in collective investment schemes. <p><u>Hedging arrangements</u></p> <ul style="list-style-type: none"> (1) Hedging arrangements may be taken into account to reduce the Fund's exposure to derivatives. (2) The marked-to-market value of transferable securities, money market instruments, or units or shares in collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to derivatives. (3) The hedging arrangement must– <ul style="list-style-type: none"> (a) not be aimed at generating a return; (b) result in an overall verifiable reduction of the risk of the Fund; (c) offset the general and specific risks linked to the underlying constituent being hedged; (d) relate to the same asset class being hedged; and <p>be able to meet its hedging objective in all market conditions.</p>

Please note that the Supplementary Prospectus will be available on our website at <http://www.uobam.com.my/our-funds/allfunds.page> on the date of issue of the Supplementary Prospectus.

Should you have any enquiries, please email us at UOBAMCustomerCareMY@UOBgroup.com.

We look forward to your continuous support.

Thank you.

Yours sincerely,

Lim Suet Ling
Executive Director/ Chief Executive Officer
for **UOB Asset Management (Malaysia) Berhad**

This letter is computer-generated; signature is not required.