An Opportunity for Greater Prosperity



Schroder SGD/USD Premier Payout Funds (the "Funds")

Investment objective:

To provide investors over the 2-year tenor with the following:

- **Fixed Payouts** of 4.0%¹ p.a. for SGD Fund; 4.5%¹ p.a. for USD Fund (see Important Notes 1)
- Short Tenor of 2 years
- Potential Early Capital Repayment feature on the 12th or 18th month²
- Potential Return of Capital or 100% Equity Participation at maturity³
- Exposure to 50 of the largest blue chip stocks in the Euro-bloc⁴

By investing in:

Bonds including equity-linked bonds issued by corporates, governments, government agencies or supranationals with at least "AA-" rating by Standard & Poor's or equivalent and/or over-the-counter financial derivatives such as forward contracts, linked to the performance of the Dow Jones EURO STOXXSM 50 Price Index (the "Index").

This product is suitable for investors who are not averse to equity risks. Depending on the Index performance, investors may receive less than initial capital at maturity^{*}.

What Investors Can Expect To Receive

- Potential Early Return : Accrued Fixed Payouts¹ + return of 100% initial capital through the early capital repayment feature on the 12th month or 18th month if the Index grows by at least 10% or 15% respectively² or
- Fixed Return : Fixed Payouts¹ + return of 100% initial capital at maturity if the Index does not hit an "Index Floor" set at 30% below its inception level, any time before maturity⁵ or
- Variable Return : Fixed Payouts¹ + 100% equity participation in the Index at maturity if the Index hits the Index Floor any time before maturity⁵.

Potential Early Return

If there is early capital repayment, investors can expect to receive the following on the 12th or 18th month :



Fixed Return

If there is no early capital repayment and the Index does not hit the Index Floor⁵, the following are examples of potential outcomes:

Illustrative numerical examples (assume for all scenarios of the SGD Fund):

- Fixed payout = $4.0\%^{1}$ p.a.
- Initial investment = S\$10,000
- Units allocated = 10,000 at S\$1 per unit

Scenario 1:

Maturity Index level = 1120 which is higher than the Initial Index level.

- Total return at maturity
- = Initial Investment + 1st Fixed Payout + 2nd Fixed Payout
- = S\$10,000 + S\$400 + S\$400 = S\$10,800

Gain = 8%



Index Floor = 700 [=1000 - (30% x 1000)]



Scenario 2:

Maturity Index level = 800 which is lower than the Initial Index level. Total return at maturity

- = Initial Investment + 1st Fixed Payout + 2nd Fixed Payout = S\$10,000 + S\$400 + S\$400 = S\$10,800

Gain = 8%



Variable Return

If there is no early capital repayment and the Index does hit the Index Floor⁵, the following are examples of potential outcomes:

Scenario 3:





Scenario 4:

Maturity Index level = 600 which is lower than the Initial Index level. Maturity value (MV) = S\$1/unit x Maturity Index level x 10,000 units Initial Index level = S\$1/unit x 600 x 10,000 units = S\$6,000 1000 Total return at maturity = MV + 1st Fixed Payout + 2nd Fixed Payout = S\$6,000 + S\$400 + S\$400 = S\$6,800 Loss = 32%



Fund Details

Tenor	2 years
Initial Offer Period	8 January – 27 February 2004
Maturity Date	March 2006 (exact date to be determined after the inception of the Funds)
Initial Offer Price	S\$1.00 per unit (SGD Fund) or US\$1.00 per unit (USD Fund)
Minimum Investment	S\$1,000 or US\$1,000 (Cash or SRS only)
Upfront Sales Charge	Nil
Management Fee ⁶	Up to 1.8% p.a.
Trustee Fee ⁶	0.05% p.a.
Realisation Charge	Nil
Minimum Realisation Amount	1,000 units for partial realisation
Dealing Day	Second Friday of the month and Maturity Date
Dealing /Realisation Deadline	2 business days before Dealing Day

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Important Notes

- These payout percentages are indicative based on market conditions in December 2003. Actual payout percentages will be determined after the inception of the Funds in accordance with market conditions at that time and could be significantly lower. Investors must be invested in SGD or USD Fund to receive the respective Fund payouts. The payouts are not guaranteed and are subject to the credit risk of the issuers of the debt instruments.
- 2. Growth of Index is measured from point of inception to the 12th or 18th month. Funds will terminate when early capital repayment is triggered.
- 3. The return for units held to maturity is expected to be (a) initial capital if the Index level has never breached a "Floor" set at 30% below its inception level, or (b) Initial capital multiplied by the return of the Index at the Maturity Date, if the Index level has breached the Index Floor during the investment period. Investors should note that their capital is at risk.
- 4. The Funds will have exposure to the performance of the Dow Jones EURO STOXX_{SM} 50 Price Index which comprises global names listed on Eurozone exchanges, such as Nokia, Carrefour and Royal Dutch Petroleum. Please refer to prospectus for details on the Index.
- 5. The Index level is measured every business day, at a fixed time which will be determined after the inception of the Funds.
- 6. The full amount of all the management, trustee and administration fees for the whole 2-year duration of the Funds will be charged upfront after the close of the Initial Offer Period. Investors will have to bear the total fees incurred for the whole duration even if the Funds are terminated early or if units are redeemed prior to the Maturity Date. Early redemption will be at the prevailing bid price.

* Key Investment Risks

- (a) Credit Risk Investors are exposed to the risk of default of any bond issuer or derivative counterparty.
- (b) Liquidity Risk Early redemption will be at the prevailing bid price.
- (c) Market Risk These Funds are suitable only for risk-taking investors. The Funds bear risks similar to equity investments if the Index hits the Index Floor.

Please read the prospectus for details.

Past performance and any forecast are not necessarily indicative of the future or likely performance of the Funds. The value of units and the income from them may fall as well as rise. Investors should read the prospectus, obtainable from United Overseas Bank before investing.

United Overseas Bank Limited, or any subsidiary or associates of the UOB Group or any of its affiliates may have interests in the units of the Funds and may also perform or seek to perform broking and other investments or securities related services for the issuer of the units from time to time. Investment in the Funds are not deposits or other obligations of, or guaranteed, or insured by United Overseas Bank, their affiliates, and are subject to investment risks, including the possible loss of the principal amount invested. This document is published for information only and does not have any regard to the specific investment objective, financial situation and the particular needs of any specific person who may receive this document. Investors may wish to seek advice from a financial advisor before purchasing units of the Funds. In the event that the investor chooses not to seek advice from a financial advisor, he should consider whether the Funds are suitable for him.

