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## Situation on Investment in Russian Bonds of the United Dynamic Bond Complex Return Fund 3Y2 (UDBC3Y2)

### Investment Ratio of UDBC3Y2 in Russian Railway Bonds

The investment structure of UDBC3Y2 can be divided into 2 parts which the first part, the Fund invests in debt instruments and/or deposits both onshore and offshore and the second part, the Fund invests in Call Warrants that are issued by J.P. Morgan Structured Products B.V. which the returns are referenced to the underlying fund (Jupiter Dynamic Bond L EUR Acc).

UDBC3Y2 has invested in the Russian Railway bonds (issued by RZD Capital Plc) at the ratio of 6.59%\* of the registered capital of the Fund which matured on 5 April 2022.

*\*Calculated based on expected the principal and interest payment of USD 1,234,200 translated into Baht currency using the exchange rate of the Bank of Thailand as of 5 April 2022, the Fund's registered capital is Baht 626,583,889.18.*

### Financial Position of Russian Railway

Russian Railway is a fully state-owned company that manages the railway system and provides railway traveling services. As of June 2021, the Company had total assets of USD 69,511 million, total liabilities of USD 32,824 million which the current liabilities accounted for 37% of the total liabilities of the Company. For the financial ratios such as EBITDA to interest expense was 4.6 times and cashflow-to-debt ratio from cashflow from operations to short-term loans of 1 year was 1.24 times reflecting its good financial position and repayment ability (source: S&P Capital IQ).

The sanctions on the financial sector of Russia by the USA and many EU nations are still going resulting on the blocking of US banks from paying USD to holders of the Russian bonds from Russian reserves held in US banks upon maturity of such bonds including the Russian Railway thus Russian Railway is unable to make principal and interest payments on its bonds upon maturity as normally would.

### Monitoring and Proceedings of the Management Company

UDBC3Y2's project term will end on 12 July 2022 which the auto-redemption will be conducted on 8 July 2022. The Management Company has liaised with the Fund's Sub-Investment Manager and Custodian, both onshore and offshore, to continue closely monitoring the situation, However, the issuer still has a grace period for making principal and interest payments of 10 business days from the due date which the grace period will end on 19 April 2022. The Management Company has assessed the different scenarios for potential event or default as shown in the table below.

Event of Default	Relaxation Period
1. As of the maturity date of the bonds, the issuer is unable to make principal and interest payments (Fall to Pay)	5 business days from the maturity date (approximately 12 April 2022)
2. As of as the maturity date of bonds, the issuer is unable to make principal and interest payments (Fall to Pay) within 5 business days but if it is a technical error of RZD Capital Plc as the issuer which it is unable to deliver the payment.	10 business days from the maturity date (approximately 19 April 2022)
3. The issuer is unable to make principal and interest payment to non-Russian entities with debts over USD 75 million.	Cross default

\* Source: Sub-fund manager and Bloomberg

During the time that UDBC3Ys is waiting for principal and interest payment until the relaxation period is due as per No. 1, the Management Company has liaised with the Fund's Sub-Investment Manager to closely monitor the situation of the principal and interest payment from the issuer, should the issuer notify the Management Company of a potential event of default or event of default, the Management Company will notify the Unitholders and reassess the situation.

If UDBC3Y2 did not receive the principal and interest payment within the relaxation period as per No. 2 around 19 April 2022, the Management Company will consider setting aside such bonds from other assets of the Fund and exclude the bonds from the calculation of the Fund's NAV and will continue monitoring the debt repayment and communicating with the investors.

Table showing different scenarios that could occur on the date of auto-redemption

Scenario	Return from the Investment Units of Jupiter Dynamic Bond L EUR Acc	Conditions for Payment of Returns – Call Warrant/Call Option***	Principal		Expected Return	
			Case 1: RURAIL makes payments within the date of auto-redemption*	Case 2: RURAIL Delays payments**	Case 1: RURAIL makes payments within the date of auto-redemption*	Case 2: RURAIL Delays payments**
1	Less than 0% ( $\leq 0\%$ )	0%	0%	-6.59%	0%	-6.59%
2	More than or equal to 0% but not more than 8% (0-8%)	8%	0%	-6.59%	0%	-1.41%
3	More than 8% ( $>8\%$ ) * assuming 9%	9%	0%	-6.59%	0%	-2.41%

\* Auto-redemption date is 8 July 2022

\*\* Calculated based on expected the principal and interest payment of USD 1,234,200 translated into Baht currency using the exchange rate of the Bank of Thailand as of 5 April 2022, the Fund's registered capital is Baht 626,583,889.18

\*\*\* Excluding the result from the exchange rate which may occur on the return of warrants.

The return received may differ depending on the USD/Baht exchange rate and forward contract exchange rate which the Fund has entered into for hedging purposes on the date of maturity which may reduce if the value of the Baht weakened compared to the rate of the forward contract and may increase if the Baht strengthened compared to the rate of the forward contract.

The Management Company would like to offer our appreciation for your trust in the Management Company and look forward to continue serving you. Should you have any question or would like to enquire additional information, please contact Investment Relations at Tel. 0 2786 2222 or at [www.uobam.co.th](http://www.uobam.co.th)

Investment involves risk, investors should study and understand the type of fund, investment policy, conditions for return, risks and past performance of the Fund before making investment decisions.