

United G Strategic Fund

Annual Report

for the financial year ended
30 June 2023



Right By You

United G Strategic Fund

(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Edmund Leong Kok Mun

Lam Sai Yoke (Resigned 15 March 2023)

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

State Street Bank and Trust Company, acting through its Singapore Branch

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

United G Strategic Fund
(Constituted under a Trust Deed in the Republic of Singapore)

A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 29 July 2010 Ann Comp Ret
United G Strategic Fund	6.43	12.87	10.15	8.31	5.44	6.11	4.37
Benchmark	6.62	12.22	11.28	8.20	6.68	7.99	7.44

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.

The benchmark of the Fund: Since Inception – 12 Jan 17: 80% MSCI AC World Index and 20% Citigroup Government Bond Index; 13 Jan 17 – 7 Apr 22: 80% MSCI AC World Index and 20% Banks Fixed Deposits 3 Months rate; 8 Apr 22 – Present: 80% MSCI AC World Index + 20% 3M Compounded SORA.

For the 12-month period ended 30 June 2023, the United G Strategic Fund achieved a **return of 10.15%** compared to the blended benchmark made up of 80% of the MSCI World Index and 20% of Banks Fixed Deposits 3 months rate which gained 11.28% over the same period. During the period the Fund was largely invested in global equities and thus benefited when global equities started to rally in 2023.

The Fund's primary objective continues to be invested in global markets and participate in returns during periods of low or moderate risk. However, when risks levels rise, the Fund will tactically reduce risk asset exposures and accept lower potential returns in order to protect against downside risks.

Geographically, the Fund ended the period predominantly focused on global equities in line with the MSCI World Index. The Fund also uses a number of exchange-traded funds (ETFs) and other efficient funds for liquidity access to the global markets.

Economic and Market Review

In 2022, global markets suffered as rising inflation triggered aggressive central bank reactions to raise rates in order to tame rising inflation. By the end of 2022, most economists around the world were forecasting a recession by the middle of 2023 as a result of the steep increases in interest rates and the clear signs of slowing economic growth in the manufacturing and housing sectors. But by the middle of 2023, the global economy is proving surprisingly resilient and does not appear to be close to a recession yet. Inflation that had appeared to be sticky is showing signs of improvement. The recession call is not so obvious anymore and global markets have responded positively.

MSCI disclaimer

The blended index return is calculated by UOB Asset Management Ltd using end of day index level values licensed from MSCI ("MSCI Data"), which are provided "as is". MSCI bears no liability for or in connection with MSCI Data. MSCI full disclaimer at [msci.com/notice-and-disclaimer-for-blended-index-returns](https://www.msci.com/notice-and-disclaimer-for-blended-index-returns).

A) Fund Performance (continued)

The twelve-month period ended 30 June 2023 saw positive performance from global equity benchmarks such as the MSCI AC World Index which was up 13.4% (in SGD terms). The strong performance was driven by the **US** and **Europe** which were the regions that were most expected to fall into recession but have defied expectations. The MSCI US Index was up 15.8% over the one year ending 30 June 2023, and the MSCI Europe Index was up 18.6%. Asian market disappointed as the MSCI Asia ex Japan Index was down -3.8% over the one-year period. The weak Asian performance was primarily driven by **China**, which lagged in 2022 as it was slow to reopen after COVID and then lagged in 2023 as its reopening recovery was much slower than expected.

Global fixed income markets suffered greatly in 2022 as central bank aggressively hiked interest rates. But in 2023, as central bank rate hikes slowed and may be near peak levels, it has allowed fixed income investments to start to perform as the high yields are now driving returns. The Barclays Global Corporate Aggregate was down double digits in 2022, but in the 1-year period ending 30 June 2023, it was up slightly at +0.4%. On a year-to-date basis, the index is up 2.1%. Interest rates have climbed over the past year. At the end of June 2022, the UST 10yr bond yield was 3.0% but by the end of June 2023, the UST 10yr bond yield had risen to 3.8%. Shorter term yields rose more. The UST 2yr bond yield rose from 3.0% to 4.9% over the same period.

Economic data was mixed over this twelve-month period, with a clear weakening trend in manufacturing (proxied by global PMIs and factory orders). The US manufacturing ISM Index declined from 53.1 at the end June 2022 to a contractionary level of 46.0 by the end of June 2023. **China** and **European** manufacturing PMIs also fell to contractionary levels of 43.4 and 49.0 respectively by the end of the period. While the manufacturing trend was weak, the **US** labour market and job openings remained very strong throughout the past year and service sectors around the world remained resilient.

Outlook and Fund Strategy

Since the start of 2023, we have highlighted that the key fundamental trends in economic growth, inflation and central bank policy will be the main issues that will drive markets this year. As of the end of June, all these key fundamental issues have been trending favourably and are so far in line with our “soft landing” view of the global economy.

At the start of the year, the majority of economists around the world were calling for a recession to start in the **US** by the middle of the year. Now, most economists have shifted their view to a recession by the end of the year or in early 2024. Most broadly, GDP is tracking higher than expected and employment is far higher than expected. We don't think it is realistic to expect that labour conditions can go from being so strong at the middle of the year to recessionary levels by the end of the year, and thus we think those recession calls might end up being pushed back further.

MSCI disclaimer

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A) Fund Performance (continued)

We find the growing theory of a rolling recession to be a credible explanation of the inconsistent data trends. A rolling recession is one where different parts of the economy suffer a recession at different times but that the overall economy might not turn down into a recession. Currently, we think there is evidence of a “goods sector” recession. Manufacturing indices, and many goods sector indices are at very low levels that would be consistent with a recession. But service sectors are behaving as though they are still recovering and growing after reopening from COVID. Usually, a downturn in manufacturing would occur at a time when services are peaking, and the start of a downturn in manufacturing would also trigger weakness in other sectors. During this post-COVID recovery, many service sectors have not yet recovered to pre-COVID levels of employment, and thus they are not as susceptible to a downturn as in other cycles.

As of the end of the first half of 2023, we think economic resilience will continue to support market momentum and could support a summer rally in equities. But we think there are growing risks that could weigh on markets towards the end of the year. Key risks are the tightening of liquidity and negative M2 growth, low earnings growth, banking system stresses, weakening loan growth and continued geopolitical tensions.

We think the fundamental issues of growth, inflation and interest rates will be the longer lasting drivers of markets but will continue to monitor for volatility risks in the near term. As such, our key theme since the start of the year has been to get more invested in 2023. We have reduced the high cash levels from 2022 and deployed the cash into equity and fixed income investments. We like fixed income because yields are high and interest rates are peaking. We think equities can perform because the economy has continued to expand, and corporate profits have remained positive. For the coming periods we recommend staying invested but remain mindful of risks that could start to weigh down equities by the end of 2023.

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2023 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Ireland	36,228,795	48.00
United States	<u>34,143,625</u>	<u>45.23</u>
Portfolio of investments	70,372,420	93.23
Other net assets/(liabilities)	<u>5,108,098</u>	<u>6.77</u>
Total	<u><u>75,480,518</u></u>	<u><u>100.00</u></u>

ii) Industry

N/A

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted unit trusts	70,372,420	93.23
Other net assets/(liabilities)	<u>5,108,098</u>	<u>6.77</u>
Total	<u><u>75,480,518</u></u>	<u><u>100.00</u></u>

iv) Credit rating of quoted bonds

N/A

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C) Top Ten Holdings

10 largest holdings as at 30 June 2023

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
DIMENSIONAL FUNDS PLC - GLOBAL SUSTAINABILITY CORE EQUITY FUND SGD ACC	15,873,914	21.03
DIMENSIONAL FUNDS PLC - WORLD EQUITY FUND USD DIST	15,642,377	20.73
VANGUARD TOTAL WORLD STOCK ETF	6,474,721	8.58
VANGUARD S&P 500 ETF	6,348,634	8.41
INVESCO QQQ TRUST SERIES 1 INVESCO QQQ TRUST SERIES 1	5,397,009	7.15
DIMENSIONAL FUNDS PLC - EMERGING MARKETS LARGE CAP CORE EQUITY FUND USD ACC	4,712,504	6.24
AVANTIS INTERNATIONAL EQUITY ETF	4,233,685	5.61
VANGUARD FTSE EUROPE ETF	3,596,752	4.77
SPDR S&P 500 ETF TRUST	2,797,394	3.71
VANGUARD FTSE EMERGING MARKETS ETF	2,653,066	3.51

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C) Top Ten Holdings (continued)

10 largest holdings as at 30 June 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
DIMENSIONAL FUNDS PLC - WORLD EQUITY FUND USD DIST	14,130,018	23.74
DIMENSIONAL FUNDS PLC - GLOBAL SUSTAINABILITY CORE EQUITY FUND SGD ACC	13,969,693	23.47
VANGUARD TOTAL WORLD STOCK ETF	4,685,504	7.87
DIMENSIONAL FUNDS PLC - EMERGING MARKETS LARGE CAP CORE EQUITY FUND USD ACC	4,632,958	7.78
VANGUARD S&P 500 ETF	4,559,118	7.66
AVANTIS INTERNATIONAL EQUITY ETF	3,865,196	6.49
INVESCO QQQ TRUST SERIES 1	3,311,268	5.56
VANGUARD FTSE EUROPE ETF	3,166,352	5.32
ISHARES MSCI ACWI ETF	1,738,403	2.92
VANGUARD FTSE EMERGING MARKETS ETF	1,324,774	2.23

D) Exposure to derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach:

- (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (iii) the sum of the values of cash collateral received under certain cases.

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2023

N/A

ii) There was a net realised loss of SGD 15,119 on derivative contracts during the financial year ended 30 June 2023.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2023

N/A

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E) Amount and percentage of NAV invested in other schemes as at 30 June 2023

Please refer to the Statement of Portfolio.

F) Amount and percentage of borrowings to NAV as at 30 June 2023

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2023

Total amount of redemptions	SGD	1,040,796
Total amount of subscriptions	SGD	10,202,533

H) The amount and terms of related-party transactions for the financial year ended 30 June 2023

Please refer to Note 9 of the Notes to the Financial Statements.

I) Expense ratios

Please refer to Note 10 of the Notes to the Financial Statements.

J) Turnover ratios

Please refer to Note 10 of the Notes to the Financial Statements.

K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts

N/A

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ("the underlying scheme")¹ should be disclosed as well

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2023 and 30 June 2022

N/A

ii) Expense ratios for the financial year ended 30 June 2023 and 30 June 2022

N/A

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”)¹ should be disclosed as well (continued)

iii) Turnover ratios for the financial year ended 30 June 2023 and 30 June 2022

N/A

¹ *Where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.*

M) Soft dollar commissions/arrangements

UOB Asset Management has entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The products and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management’s duties to clients. As such services generally benefit all of UOB Asset Management’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on a best execution basis and there was no churning of trades.

N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts

N/A

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REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of United G Strategic Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 15 to 36, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
STATE STREET TRUST (SG) LIMITED

Authorised signatory
22 September 2023

United G Strategic Fund

(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 15 to 36, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of United G Strategic Fund (the "Fund") as at 30 June 2023, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT
Authorised signatory
22 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED G STRATEGIC FUND

Our Opinion

In our opinion, the accompanying financial statements of United G Strategic Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2023;
- the Statement of Financial Position as at 30 June 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2023;
- the Statement of Portfolio as at 30 June 2023; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED G STRATEGIC FUND

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED G STRATEGIC FUND

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 22 September 2023

United G Strategic Fund
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STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
Income			
Dividends		871,739	721,283
Interest		7,373	98
Other income		-	49
Total		<u>879,112</u>	<u>721,430</u>
Less: Expenses			
Management fee	9	790,349	740,478
Trustee fee	9	23,137	21,760
Audit fee		13,968	13,844
Registrar fee	9	25,086	24,914
Valuation fee	9	82,328	77,133
Administration fee	9	49,397	46,280
Custody fee	9	8,861	8,291
Transaction costs		14,273	2,236
Other expenses		60,882	18,335
Total		<u>1,068,281</u>	<u>953,271</u>
Net income/(losses)		<u>(189,169)</u>	<u>(231,841)</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		7,228,225	(9,153,838)
Net gains/(losses) on financial derivatives		(15,119)	1,932
Net foreign exchange gains/(losses)		(43,814)	36,622
		<u>7,169,292</u>	<u>(9,115,284)</u>
Total return/(deficit) for the financial year before income tax			
		6,980,123	(9,347,125)
Less: Income tax	3	(182,962)	(171,622)
Total return/(deficit) for the financial year		<u>6,797,161</u>	<u>(9,518,747)</u>

The accompanying notes form an integral part of these financial statements.

United G Strategic Fund
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	2023	2022
Note	\$	\$
Assets		
Portfolio of investments	70,372,420	58,293,325
Receivables	4 90,271	60,618
Cash and bank balances	9 5,316,753	5,022,076
Total assets	<u>75,779,444</u>	<u>63,376,019</u>
Liabilities		
Purchases awaiting settlement	-	3,584,898
Payables	5 298,926	269,501
Total liabilities	<u>298,926</u>	<u>3,854,399</u>
Equity		
Net assets attributable to unitholders	6 75,480,518	59,521,620

The accompanying notes form an integral part of these financial statements.

United G Strategic Fund
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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2023

	Note	2023 \$	2022 \$
Net assets attributable to unitholders at the beginning of the financial year		59,521,620	55,466,989
Operations			
Change in net assets attributable to unitholders resulting from operations		6,797,161	(9,518,747)
Unitholders' contributions/(withdrawals)			
Creation of units		10,202,533	14,021,746
Cancellation of units		(1,040,796)	(448,368)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		9,161,737	13,573,378
Total increase/(decrease) in net assets attributable to unitholders		<u>15,958,898</u>	<u>4,054,631</u>
Net assets attributable to unitholders at the end of the financial year	6	<u>75,480,518</u>	<u>59,521,620</u>

The accompanying notes form an integral part of these financial statements.

United G Strategic Fund

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STATEMENT OF PORTFOLIO

As at 30 June 2023

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary			
Quoted unit trusts			
IRELAND			
DIMENSIONAL FUNDS PLC - EMERGING MARKETS LARGE CAP CORE EQUITY FUND USD ACC	231,985	4,712,504	6.24
DIMENSIONAL FUNDS PLC - GLOBAL SUSTAINABILITY CORE EQUITY FUND SGD ACC	810,307	15,873,914	21.03
DIMENSIONAL FUNDS PLC - WORLD EQUITY FUND USD DIST	756,431	<u>15,642,377</u>	<u>20.73</u>
TOTAL IRELAND		<u>36,228,795</u>	<u>48.00</u>
UNITED STATES			
AVANTIS INTERNATIONAL EQUITY ETF	54,500	4,233,685	5.61
INVESCO QQQ TRUST SERIES 1 INVESCO QQQ TRUST SERIES 1	10,795	5,397,009	7.15
ISHARES MSCI ACWI ETF	6,243	810,594	1.07
ISHARES MSCI JAPAN ETF	9,217	772,130	1.02
ISHARES RUSSELL 2000 ETF	4,181	1,059,640	1.40
SPDR S&P 500 ETF TRUST	4,663	2,797,394	3.71
VANGUARD FTSE EMERGING MARKETS ETF	48,190	2,653,066	3.51
VANGUARD FTSE EUROPE ETF	43,074	3,596,752	4.77
VANGUARD S&P 500 ETF	11,518	6,348,634	8.41

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United G Strategic Fund
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STATEMENT OF PORTFOLIO

As at 30 June 2023

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary (continued)			
Quoted unit trusts			
UNITED STATES (continued)			
VANGUARD TOTAL WORLD STOCK ETF	49,332	<u>6,474,721</u>	<u>8.58</u>
TOTAL UNITED STATES		<u>34,143,625</u>	<u>45.23</u>
Total Unit Trusts		<u>70,372,420</u>	<u>93.23</u>
Portfolio of investments		70,372,420	93.23
Other net assets/(liabilities)		<u>5,108,098</u>	<u>6.77</u>
Net assets attributable to unitholders		<u>75,480,518</u>	<u>100.00</u>

The accompanying notes form an integral part of these financial statements.

United G Strategic Fund
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STATEMENT OF PORTFOLIO

As at 30 June 2023

	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Geography - Primary (Summary)		
Quoted unit trusts		
Ireland	48.00	54.99
United States	45.23	42.95
Portfolio of investments	93.23	97.94
Other net assets/(liabilities)	6.77	2.06
Net assets attributable to unitholders	100.00	100.00

As the Fund is invested wholly into quoted unit trusts, it is not meaningful to classify the investments into industry segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

United G Strategic Fund (the “Fund”) is a Singapore-registered trust fund constituted under a Trust Deed between UOB Asset Management Ltd (the “Manager”) and State Street Trust (SG) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

The primary activity of the Fund is to invest in exchange traded funds (“ETFs”) and other collective investment schemes which are not ETFs domiciled in Singapore, Luxembourg, Germany, France and United Kingdom, and which are managed by managers domiciled in those jurisdictions. The investment objective of the Fund is to achieve medium to long-term capital appreciation by the strategic allocation of the Fund’s assets in various investments corresponding to market conditions. There is no target sector, industry or geographical area.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar and the United States Dollar. Investors may subscribe in the United States Dollar at the applicable rate of exchange from the Singapore Dollar.

2 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP7”) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the financial year end date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of investments held in Investee Funds is the quoted net asset value of the Investee Funds as determined by the Investee Funds' administrator. Net changes in fair value of investments are included in the Statement of Total Return in the year in which they arise.

(e) Foreign currency translation

(i) Functional and presentation currency

The performance of the Fund is measured and reported to the investors in the Singapore Dollar. The Manager considers the Singapore Dollar as the currency of the primary economic environment in which the Fund operates. The financial statements are presented in the Singapore Dollar, which is the Fund's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statement of Total Return within "Net gains/losses on investments".

(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(g) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(h) Cash and bank balances

Cash and bank balances comprise cash at banks which are subject to an insignificant risk of changes in value.

(i) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(j) Financial derivatives

Financial derivatives including forwards and swaps may be entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provision of the Trust Deed and the Code on Collective Investment Schemes.

Financial derivatives outstanding on the financial year end date are valued at the forward rate or at the current market prices using the “mark-to-market” method, as applicable, and the resultant gains and losses are taken up in the Statement of Total Return.

(k) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the financial year end date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(l) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers all of its investments in other funds (“Investee Funds”) to be investments in unconsolidated structured entities. The Fund invests in Investee Funds whose objectives range from achieving short to long term capital growth and whose investment strategies do not include the use of leverage. The Investee Funds are managed by unrelated asset managers and the Investee Funds apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The Fund holds redeemable shares in each of its Investee Funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(I) Structured entities (continued)

The changes in fair value of the Investee Funds are included in the Statement of Total Return within “Net gains/losses on investments”.

3 Income tax

	2023	2022
	\$	\$
Overseas income tax	182,962	171,622

The Trustee of the Fund has assessed and is satisfied that the Fund has met the requisite conditions under the Designated Unit Trust (“DUT”) Scheme for the current financial year. The Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act 1947);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

The overseas income tax represents tax withheld on foreign sourced income.

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NOTES TO THE FINANCIAL STATEMENTS

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4 Receivables

	2023	2022
	\$	\$
Dividends receivable	42,219	30,236
Other receivables	48,052	30,382
	<u>90,271</u>	<u>60,618</u>

5 Payables

	2023	2022
	\$	\$
Amount due to the Manager	236,008	204,644
Amount due to Trustee	6,234	5,406
Tax payables	12,630	9,050
Other creditors and accrued expenses	44,054	50,401
	<u>298,926</u>	<u>269,501</u>

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NOTES TO THE FINANCIAL STATEMENTS

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6 Units in issue

During the financial years ended 30 June 2023 and 2022, the numbers of units issued, redeemed and outstanding were as follows:

	2023	2022
Units at the beginning of the financial year	37,740,029	30,251,699
Units created	6,349,700	7,729,077
Units cancelled	<u>(652,265)</u>	<u>(240,747)</u>
Units at the end of the financial year*	<u>43,437,464</u>	<u>37,740,029</u>
*Included above are units denominated in USD	1,024,861	1,113,262
	\$	\$
Net assets attributable to unitholders	75,480,518	59,521,620
Net assets value per unit	1.737	1.577

There is no difference between the net assets attributable to unitholders per unit per financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units.

7 Financial risk management

The Fund's activities expose it to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, financial options contracts and/or foreign currency contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as investments into other funds and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve its investment objectives.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices and are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

The Fund has monetary financial assets and liabilities denominated in currencies other than the Singapore Dollar and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Fund.

The tables below summarise the Fund's exposure to foreign currencies at the end of the financial year.

As at 30 June 2023

	SGD \$	USD \$	HKD \$	Total \$
Assets				
Portfolio of investments	15,873,914	54,498,506	-	70,372,420
Receivables	48,052	42,219	-	90,271
Cash and bank balances	4,861,249	450,983	4,521	5,316,753
Total Assets	<u>20,783,215</u>	<u>54,991,708</u>	<u>4,521</u>	<u>75,779,444</u>
Liabilities				
Payables	286,296	12,630	-	298,926
Total Liabilities	<u>286,296</u>	<u>12,630</u>	<u>-</u>	<u>298,926</u>
Net currency exposure	<u>20,496,919</u>	<u>54,979,078</u>	<u>4,521</u>	

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2022

	SGD \$	USD \$	HKD \$	Total \$
Assets				
Portfolio of investments	13,969,693	44,323,632	-	58,293,325
Receivables	30,382	30,236	-	60,618
Cash and bank balances	<u>4,284,529</u>	<u>732,904</u>	<u>4,643</u>	<u>5,022,076</u>
Total Assets	<u>18,284,604</u>	<u>45,086,772</u>	<u>4,643</u>	<u>63,376,019</u>
Liabilities				
Purchases awaiting settlement	1,797,709	1,787,189	-	3,584,898
Payables	<u>260,451</u>	<u>9,050</u>	-	<u>269,501</u>
Total Liabilities	<u>2,058,160</u>	<u>1,796,239</u>	-	<u>3,854,399</u>
Net currency exposure	<u>16,226,444</u>	<u>43,290,533</u>	<u>4,643</u>	

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. Other price risk sensitivity analysis includes the impact of foreign exchange risk on non-monetary investments. The Fund's net financial assets comprise significantly of non-monetary investments, hence foreign exchange risk sensitivity analysis has not been presented on the remaining financial assets.

(ii) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The table below summarises the impact of increases/decreases from the Fund's investments in Investee Funds on the Fund's net assets attributable to unitholders at 30 June 2023 and 2022. The analysis is based on the assumption that the index components within the benchmark and the prices of the Investee Funds increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Investee Funds moved according to the historical correlation with the index.

Benchmark component	2023		2022	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
80% MSCI AC World Index + 20% 3M Compounded SORA	20	16,927,993	20	14,184,648

MSCI disclaimer

The blended index return is calculated by UOB Asset Management Ltd using end of day index level values licensed from MSCI ("MSCI Data"), which are provided "as is". MSCI bears no liability for or in connection with MSCI Data. MSCI full disclaimer at [msci.com/notice-and-disclaimer-for-blended-index-returns](https://www.msci.com/notice-and-disclaimer-for-blended-index-returns).

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly. However, the effects of changes in interest rates in the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect.

Other than cash and bank balances which are at short term market interest rates, and therefore subject to insignificant interest rate risk, the Fund's financial assets and liabilities are largely non-interest bearing.

Hence, no sensitivity analysis has been presented separately.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(b) Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and bank balances and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments in Investee Funds are considered to be readily realisable as the net asset value is struck daily, and units are redeemable on demand at the published price.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments. No such investments were held at the financial year end date.

The tables below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 30 June 2023			
Payables	298,926	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 30 June 2022			
Purchases awaiting settlement	3,584,898	-	-
Payables	269,501	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on cash and bank balances and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that is regularly assessed and updated by the Manager.

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 30 June 2023 and 2022.

The credit ratings are based on the Viability ratings published by Fitch.

	Credit rating as at 30 June 2023	Credit rating as at 30 June 2022
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-

The maximum exposure to credit risk at the financial year end date is the carrying amount of the portfolio of investments and cash and bank balances as presented in Statement of Financial Position.

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables analyse within the fair value hierarchy, the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2023 and 2022:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2023				
Assets				
Portfolio of investments				
- Quoted unit trusts	<u>70,372,420</u>	-	-	<u>70,372,420</u>
Total	<u>70,372,420</u>	-	-	<u>70,372,420</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2022				
Assets				
Portfolio of investments				
- Quoted unit trusts	<u>58,293,325</u>	-	-	<u>58,293,325</u>
Total	<u>58,293,325</u>	-	-	<u>58,293,325</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise of Exchange-Traded Funds. The Fund does not adjust the quoted price for these instruments.

Investments in open-ended investment funds whose net assets value are struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified within Level 1. The quoted price for these financial instruments is not adjusted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Financial risk management (continued)

(e) Fair value estimation (continued)

Except for cash and bank balances which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2023 and 2022 have been classified as Level 2. The assets and liabilities included in the Statement of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

8 Structured entities

The Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about the future values of those Investee Funds. The Manager makes investment decisions after extensive due diligence of the Investee Funds, their strategy and the overall quality of the respective Investee Fund's manager. The Investee Funds' portfolio managers are compensated by the respective Investee Fund for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Fund's investments in each of the Investee Funds.

The Fund has the right to request redemption of its investments in the Investee Funds on a daily basis.

The exposure to investments in the Investee Funds at fair value is disclosed under the Statement of Portfolio. These investments are included within "Portfolio of Investments" in the Statement of Financial Position.

The Fund's holdings in an Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time, dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Fund's maximum exposure to loss from its interests in the Investee Funds is equal to the total fair value of its investments in the Investee Funds.

Once the Fund has disposed of its shares in an Investee Fund, the Fund ceases to be exposed to any risk from it.

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NOTES TO THE FINANCIAL STATEMENTS

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9 Related party transactions

(a) The Manager and the Trustee of the Fund are UOB Asset Management Ltd and State Street Trust (SG) Limited, respectively. The Manager is a subsidiary of United Overseas Bank Limited while the Trustee is a subsidiary of State Street Bank and Trust Company.

Management fee, valuation fee and administration fee are paid to the Manager for the financial year. Trustee fee is paid to the Trustee while registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch.

These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

(b) As at the end of the financial year, the Fund maintained the following accounts with the related parties:

	2023	2022
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	5,316,753	5,022,076

(c) The following transactions took place during the financial year between the Fund and related parties at terms agreed between the parties:

	2023	2022
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	7,373	98
United Overseas Bank Limited		
Bank charges	241	315

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

10 Financial ratios

	2023	2022
	\$	\$
Total operating expenses	1,054,008	951,035
Average daily net assets value	65,958,540	61,655,588
Weighted average of the Investee Funds' expense ratio	<u>0.21%</u>	<u>0.23%</u>
Expense ratio ¹	<u>1.81%</u>	<u>1.77%</u>
Lower of total value of purchases or sales	2,452,866	11,685,857
Average daily net assets value	<u>65,958,540</u>	<u>61,655,588</u>
Turnover ratio ²	<u>3.72%</u>	<u>18.95%</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). This is the sum of the Fund's expense ratio and the weighted average of the Investee Funds' unaudited expense ratios. The unaudited expense ratios of the Investee Funds are obtained from Investee Funds' manager. The calculation of the Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, interest expense, distribution paid out to unitholders, 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. The Fund does not pay any performance fee. The average net assets value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net assets value.

