

新加坡大華東協基金 年度財務報告

(中文簡譯本)

2022 年 12 月 31 日

大華資產管理有限公司
UOB ASSET MANAGEMENT LTD.

新加坡領先的基金客戶經理

www.uobam.com.sg

大華銀證券投資信託股份有限公司
UOB ASSET MANAGEMENT (TAIWAN) CO LTD

<https://www.uobam.com.tw/>

本基金財務報告內容如與英文版財務報告有任何歧異，以英文版財務報告為主。
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新加坡大華東協基金財務報告

【新加坡大華東協基金財務報告】 會計師查核報告

新加坡大華東協基金（以下簡稱『本基金』）2022年12月31日之資產負債表及投資組合明細表，暨2022年1月1日至12月31日之總投資報酬表、重要會計政策及財務報表之附註，業經本會計師查核竣事。上開財務報表之編制係新加坡大華資產管理有限公司之負責，本會計師之責任則為跟據查核結果對上開財務報表表示意見。

基金管理機構之責任

上開財務報表之編制係基金管理機構之責任，係依照新加坡會計師協會所頒佈之會計報表實務七中關於『單位信託基金財務報告之架構』編制財務報表並忠實呈現報表所含資訊。而此責任包含設計、執行及維護內部控制以確保財務報表無重大不實表達、舞弊及錯誤，且選擇並採用適當之會計政策及會計估計。

會計師之責任

本會計師係依照新加坡一般公認審計準則規劃並執行查核工作，以合理確信財務報表有無重大不實表達。此項查核工作就其內部控制制度作必要之研究及評估，以決定查核程序，惟不對內控有效性表示意見。相關查核程序為獲取財務報表所列金額及所揭露事項之查核證據、評估管理階層編製財務報表所採用之會計原則及所作之重大會計估計，暨評估財務報表整體之表達。本會計師相信此項查核工作可對所表示之意見提供合理之依據。

會計師之意見

依本會計師之意見，第一段所述財務報表在所有重大方面係依照新加坡會計師協會所發佈之會計財務報表實會計師之意見

依本會計師之意見，第一段所述財務報表在所有重大方面係依照新加坡會計師協會所發佈之會計財務報表實務七中『單位信託基金財務報告之架構』編製，足以允當表達本基金2022年12月31日之資產負債表及投資組合明細表，暨2022年1月1日至12月31日之總投資報酬表。

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

新加坡
2023年3月24日

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UOB Asset Management(Taiwan) Co Ltd

大華銀證券投資信託股份有限公司 (105)金管投信新字第零壹參號 台北市民生東路三段 109 號 16 樓 (02) 2719-7005

新加坡大華東協基金財務報告

總投資報酬表 2022年1月1日至2022年12月31日

	2022 星幣\$	2021 星幣\$
收入		
股利	2,271,308	1,542,100
利息	4,104	-
其他收入	112	82
	2,275,524	1,542,182
減項：費用		
管理費	663,417	601,020
受託公司費	23,465	20,944
查核費	18,008	17,999
登錄費	15,000	14,979
保管費	42,788	40,779
交易成本	186,432	215,403
利息費用	2,003	-
其他費用	64,528	47,759
	1,015,641	958,883
淨收益（損失）	1,259,883	583,299
淨投資總收益（損失）		
淨投資收益（損失）	(4,431,653)	2,865,657
衍生性金融商品收益（損失）	(25,555)	8,179
兌換收益（損失）	14,418	(13,997)
	(4,442,790)	2,859,839
稅前總投資報酬（損失）	(3,182,907)	3,443,138
減項：所得稅	(148,013)	(143,397)
總投資報酬（損失）	(3,330,920)	3,299,741

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新加坡大華東協基金財務報告

資產負債表 2022年12月31日

	2022 星幣\$	2021 星幣\$
資產		
投資組合部位	63,317,157	56,374,785
待交割銷售部位	-	-
應收帳款	36,000	78,953
現金及銀行存款	1,549,496	1,443,317
券商保證金	160,701	161,172
衍生性金融商品公平價值	-	-
總資產	65,063,354	58,058,227
負債		
應付帳款	363,357	295,516
衍生性金融商品公平價值	-	-
總負債	363,357	295,516
權益		
基金單位持有人資產淨值	64,699,997	57,762,711

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United ASEAN Fund

Annual Report

for the financial year ended
31 December 2022



Right By You

United ASEAN 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

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

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 ASEAN 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 2 June 1986 Ann Comp Ret
United ASEAN Fund	1.30	1.66	-3.86	-2.70	-2.20	0.16	5.88
Benchmark	2.68	3.98	-4.81	-3.70	-2.27	0.81	4.00

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: Jun 86 – Jan 93: 100% DBS 50; Feb 93 – Aug 98: 50% DBS 50, 50% KLEMAS;

Sep 98 – May 00: 100% DBS 50; Jun 00 – May 06: 50% STI Index, 50% KLEMAS; Jun 06 – Jun 13: 50% STI Index, 50% KLCI; Jul 13 – Present: MSCI South East Asia.

For the twelve months ended 31 December 2022, the net asset value of the Fund **declined 3.86%**, outperforming the benchmark MSCI Southeast Asia Index which fell 4.81%.

Key contributors to the Fund's performance included **Sembcorp Industries Ltd** (Singapore Utilities), **PTT Exploration & Production Pcl - NVDR** (Thailand Energy) and **DBS Group Holdings Ltd** (Singapore Financials). Key detractors from performance included **Sea Ltd** (Singapore Communications Services), **Vinhomes JSC** (Vietnam Real Estate) and **Hibiscus Petroleum Bhd** (Malaysia Energy).

As at end December 2022, the Fund had the following country exposure: **Singapore** (36.54%), **Thailand** (18.87%), **Indonesia** (18.42%), **Malaysia** (17.30%), **Philippines** (4.32%), **Taiwan** (1.34%), **Vietnam** (1.07%) with the remainder in cash (2.14%).

In terms of sector allocation, the Fund had the following exposure: **Financials** (36.27%), **Industrials** (18.17%), **Consumer Discretionary** (9.43%), **Real Estate** (9.20%), **Energy** (8.43%), **Consumer Staples** (4.72%), **Health Care** (3.77%), **Communication Services** (3.20%), **Materials** (3.14%), **Utilities** (1.53%), and with the remainder in cash (2.14%).

Economic and Market Review

In the twelve-month period under review ended 31 December 2022, **Asia** markets were volatile and extended its decline to end the year in the red. In February, **Asia** markets tumbled alongside a global selloff as escalating Russia-Ukraine tensions added to existing concerns over **US** Fed's rate lift off in March. UST bond yields spiked as investors grappled with the **US** Fed's hawkish signalling which led to parts of the **US** yield curve inverting.

United ASEAN Fund

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

A) Fund Performance (continued)

Markets took another leg down in June and the month after witnessing a relief rally following market interpretation of **US** Fed's dovish interest rate hike outlook. Investors also took comfort from **China's** PBoC monetary easing as well as the State Council's pledge for further fiscal policy support to rejuvenate growth. However, the rally was short-lived and global equities stumbled in August after the **US** Fed's hawkishness at the Jackson Hole symposium dashed market expectations of a pivot anytime soon. The **US** Fed delivered its third straight 75 bps hike in September and reiterated its hawkishness. USD strength reigned amid geopolitical tensions and renewed fears of a global recession.

Despite this, ASEAN markets was a relative safe haven and continued to outperform though rotation of leaders led to a divergence in performance. In the first half of the year, strength in ASEAN partly offset **China's** renewed COVID woes. However, market leadership shifted away from ASEAN to North Asia in the final quarter of the year as investors cheered news of COVID policy pivot and reopening of borders by **China** and **Hong Kong**.

In ASEAN, **China** reopening drove outperformance in **Thailand** while **Indonesia** benefitted from strong commodity prices. **Malaysia** market was partly held back as concerns over general elections and political overhang overshadowed improvement in global macro environment. **Philippines** trailed due to market concerns over twin deficits in current account and fiscal whilst reopening momentum had been slowest in the region. **Singapore** was a laggard weighed down by share price weakness of **Grab Holdings Ltd** and **Sea Ltd**.

Outlook and Fund Strategy

Notwithstanding a backdrop of slowing global growth and monetary policy tightening, **Asia** looks better placed in the near term given its domestic demand and resilience. In ASEAN, the ongoing reopening impulse in the **Asia** region should drive a greater uplift in services sector to partly cushion the slowdown in trade exports. In particular, the border reopening in **China** and **Hong Kong** would drive an improvement in regional trade flows and tourism/travel given its status as a key trading partner to the ASEAN region.

Within ASEAN, **Singapore** and **Indonesia** are our preferred markets. We retain our *overweight* in **Singapore** for its relative earnings resilience as underpinned by a solid outlook across the **Financials**, **Property** and **Transport** sectors. We upgrade **Indonesia** from neutral to *overweight* as private consumption remains resilient and likely to sustain its relatively strong GDP growth. We turned less bearish and upgrade **Philippines** from *underweight* to neutral, as GDP growth is expected to be highest on an absolute level among the ASEAN peers.

In contrast, we reduce our *overweight* on **Thailand** and **Malaysia**. We are now neutral in **Thailand** as the rebound in inbound tourism appears largely priced in. We downgrade **Malaysia** to neutral as political overhang is clearing but subsidy rationalisation and potential tax reform represent headwinds to growth.

We are cognizant of the risks ahead but see pockets of opportunities with a focus on stock bottom-up drivers and laggards. We have a constructive view on **China** reopening plays even as near-term setback is inevitable. Over the mid-term, we believe the return of tourists and a pick-up in regional travel should drive further earnings recovery for travel-related sectors. We also favour companies which benefit from domestic demand opportunities, interest rate beneficiaries and inflation hedges.

United ASEAN Fund

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A) Fund Performance (continued)

Key risks to our optimistic positioning include a slower-than-expected normalisation in economic activities from COVID reopening in **China**, elevated and longer than expected inflationary pressures and central banks continue to hike rates despite a weak economy.

United ASEAN Fund

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

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Indonesia	11,918,953	18.42
Malaysia	11,192,702	17.30
Philippines	2,794,206	4.32
Singapore	23,640,414	36.54
Taiwan	866,700	1.34
Thailand	12,212,468	18.87
Vietnam	691,714	1.07
Portfolio of investments	63,317,157	97.86
Other net assets/(liabilities)	1,382,840	2.14
Total	64,699,997	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	2,070,162	3.20
Consumer Discretionary	6,099,484	9.43
Consumer Staples	3,053,072	4.72
Energy	5,453,633	8.43
Financials	23,465,482	36.27
Health Care	2,442,014	3.77
Industrials	11,757,973	18.17
Materials	2,032,363	3.14
Real Estate	5,950,395	9.20
Utilities	992,579	1.53
Portfolio of investments	63,317,157	97.86
Other net assets/(liabilities)	1,382,840	2.14
Total	64,699,997	100.00

United ASEAN Fund

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by (continued)

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	63,317,157	97.86
Other net assets/(liabilities)	1,382,840	2.14
Total	64,699,997	100.00

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BANK CENTRAL ASIA TBK PT	3,683,077	5.69
OVERSEA-CHINESE BANKING CORP LTD	3,654,000	5.65
GENTING BHD	3,410,089	5.27
DBS GROUP HOLDINGS LTD	3,392,000	5.24
SEMBCORP INDUSTRIES LTD	3,380,000	5.23
UNITED OVERSEAS BANK LTD*	2,763,000	4.27
BANK RAKYAT INDONESIA PERSERO TBK PT	2,515,799	3.89
BANK MANDIRI PERSERO TBK PT	2,137,692	3.30
KASIKORNBANK PCL - NVDR	2,056,236	3.18
PTT EXPLORATION & PRODUCTION PCL - NVDR	2,050,427	3.17

* The Manager is a subsidiary of United Overseas Bank Ltd.

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

C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
INARI AMERTRON BHD	2,847,749	4.93
DBS GROUP HOLDINGS LTD	2,612,800	4.52
KASIKORNBANK PCL - NVDR	2,063,087	3.57
BANK CENTRAL ASIA TBK PT	2,002,479	3.47
UOL GROUP LTD	1,701,600	2.95
PUBLIC BANK BHD	1,682,761	2.91
PTT EXPLORATION & PRODUCTION PCL - NVDR	1,666,774	2.88
SINGAPORE AIRLINES LTD	1,648,197	2.85
MR DIY GROUP M BHD	1,635,514	2.83
AIRPORTS OF THAILAND PCL - NVDR	1,477,093	2.56

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 31 December 2022

N/A

- ii) There was a net realised loss of SGD 25,555 on derivative contracts during the financial year ended 31 December 2022.

- iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2022

N/A

E) Amount and percentage of NAV invested in other schemes as at 31 December 2022

N/A

F) Amount and percentage of borrowings to NAV as at 31 December 2022

N/A

G) Amount of redemptions and subscriptions for the financial year ended 31 December 2022

Total amount of redemptions	SGD	10,801,767
Total amount of subscriptions	SGD	21,069,973

H) The amount and terms of related-party transactions for the financial year ended 31 December 2022

Please refer to Note 8 of the Notes to the Financial Statements.

I) Expense ratios

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

J) Turnover ratios

Please refer to Note 9 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 31 December 2022 and 31 December 2021

N/A

- ii) Expense ratios for the financial year ended 31 December 2022 and 31 December 2021

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 31 December 2022 and 31 December 2021

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

United ASEAN Fund

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

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of United ASEAN 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 38, 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
24 March 2023

United ASEAN 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 38, 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 ASEAN Fund (the "Fund") as at 31 December 2022, 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
24 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASEAN FUND

Our Opinion

In our opinion, the accompanying financial statements of United ASEAN 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 31 December 2022, 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 31 December 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASEAN FUND

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASEAN FUND

- 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, 24 March 2023

United ASEAN Fund

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

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Income			
Dividends		2,271,308	1,542,100
Interest		4,104	-
Other income		112	82
Total		<u>2,275,524</u>	<u>1,542,182</u>
Less: Expenses			
Management fee	8	663,417	601,020
Trustee fee	8	23,465	20,944
Audit fee		18,008	17,999
Registrar fee	8	15,000	14,979
Custody fee	8	42,788	40,779
Transaction costs		186,432	215,403
Interest expenses		2,003	-
Other expenses		64,528	47,759
Total		<u>1,015,641</u>	<u>958,883</u>
Net income/(losses)		<u>1,259,883</u>	<u>583,299</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(4,431,653)	2,865,657
Net gains/(losses) on financial derivatives		(25,555)	8,179
Net foreign exchange gains/(losses)		14,418	(13,997)
		<u>(4,442,790)</u>	<u>2,859,839</u>
Total return/(deficit) for the financial year before income tax		<u>(3,182,907)</u>	<u>3,443,138</u>
Less: Income tax	3	(148,013)	(143,397)
Total return/(deficit) for the financial year		<u>(3,330,920)</u>	<u>3,299,741</u>

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Portfolio of investments		63,317,157	56,374,785
Receivables	4	36,000	78,953
Cash and bank balances		1,549,496	1,443,317
Margin accounts		<u>160,701</u>	<u>161,172</u>
Total assets		<u>65,063,354</u>	<u>58,058,227</u>
Liabilities			
Payables	5	<u>363,357</u>	<u>295,516</u>
Total liabilities		<u>363,357</u>	<u>295,516</u>
Equity			
Net assets attributable to unitholders	6	<u>64,699,997</u>	<u>57,762,711</u>

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

United ASEAN Fund

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Net assets attributable to unitholders at the beginning of the financial year		57,762,711	59,606,096
Operations			
Change in net assets attributable to unitholders resulting from operations		(3,330,920)	3,299,741
Unitholders' contributions/(withdrawals)			
Creation of units		21,069,973	2,721,596
Cancellation of units		(10,801,767)	(7,864,722)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		10,268,206	(5,143,126)
Total increase/(decrease) in net assets attributable to unitholders		6,937,286	(1,843,385)
Net assets attributable to unitholders at the end of the financial year	6	64,699,997	57,762,711

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

United ASEAN Fund

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary			
Quoted equities			
INDONESIA			
ANEKA TAMBANG TBK PT	2,500,000	427,539	0.66
ASTRA INTERNATIONAL TBK PT	1,500,000	736,615	1.14
BANK CENTRAL ASIA TBK PT	5,000,000	3,683,077	5.69
BANK MANDIRI PERSERO TBK PT	2,500,000	2,137,692	3.30
BANK RAKYAT INDONESIA PERSERO TBK PT	5,911,182	2,515,799	3.89
TELEKOMUNIKASI INDONESIA PERSERO TBK PT	3,725,000	1,203,462	1.86
UNILEVER INDONESIA TBK PT	3,000,000	<u>1,214,769</u>	<u>1.88</u>
TOTAL INDONESIA		<u>11,918,953</u>	<u>18.42</u>
MALAYSIA			
GAS MALAYSIA BHD	1,000,000	992,579	1.53
GENTING BHD	2,500,000	3,410,089	5.27
GENTING MALAYSIA BHD	1,800,000	1,474,254	2.28
HIBISCUS PETROLEUM BHD	1,200,000	390,942	0.61
IHH HEALTHCARE BHD	400,000	757,527	1.17
MALAYSIA AIRPORTS HOLDINGS BHD	350,000	699,068	1.08
PETRONAS CHEMICALS GROUP BHD	360,000	942,646	1.46
PUBLIC BANK BHD	1,250,000	1,644,150	2.54
RHB BANK BHD	500,000	<u>881,447</u>	<u>1.36</u>
TOTAL MALAYSIA		<u>11,192,702</u>	<u>17.30</u>
PHILIPPINES			
AYALA CORP	50,000	836,332	1.29

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

United ASEAN Fund

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
PHILIPPINES (continued)			
AYALA LAND INC	1,000,000	741,267	1.15
BANK OF THE PHILIPPINE ISLANDS	300,663	738,081	1.14
WILCON DEPOT INC	674,000	<u>478,526</u>	<u>0.74</u>
TOTAL PHILIPPINES		<u>2,794,206</u>	<u>4.32</u>
SINGAPORE			
CAPITALAND ASCENDAS REIT	259,250	710,345	1.10
CAPITALAND INTEGRATED COMMERCIAL TRUST	42,534	86,769	0.14
CAPITALAND INVESTMENT LTD/SINGAPORE	450,000	1,665,000	2.57
COMFORTDELGRO CORP LTD	1,000,000	1,230,000	1.90
DBS GROUP HOLDINGS LTD	100,000	3,392,000	5.24
KEPPEL CORP LTD	150,000	1,089,000	1.68
KEPPEL DC REIT	250,000	442,500	0.68
OVERSEA-CHINESE BANKING CORP LTD	300,000	3,654,000	5.65
SEMBCORP INDUSTRIES LTD	1,000,000	3,380,000	5.23
SINGAPORE AIRLINES LTD	200,000	1,106,000	1.71
SINGAPORE TECHNOLOGIES ENGINEERING LTD	500,000	1,675,000	2.59
UNITED OVERSEAS BANK LTD*	90,000	2,763,000	4.27
UOL GROUP LTD	240,000	1,612,800	2.49
WILMAR INTERNATIONAL LTD	200,000	<u>834,000</u>	<u>1.29</u>
TOTAL SINGAPORE		<u>23,640,414</u>	<u>36.54</u>

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

United ASEAN Fund

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
TAIWAN			
SEA LTD - ADR	12,420	866,700	1.34
THAILAND			
AIRPORTS OF THAILAND PCL - NVDR	600,000	1,742,573	2.69
BANGKOK DUSIT MEDICAL SERVICES - NVDR	1,500,000	1,684,487	2.60
CP ALL PCL - NVDR	380,000	1,004,303	1.55
KASIKORNBANK PCL - NVDR	360,000	2,056,236	3.18
PTT EXPLORATION & PRODUCTION PCL - NVDR	300,000	2,050,427	3.17
PTT PCL - FOREIGN	620,000	804,294	1.24
PTT PCL - NVDR	430,000	553,654	0.86
SIAM CEMENT PCL - NVDR	50,000	662,178	1.02
THAI OIL PCL - NVDR	759,482	1,654,316	2.56
TOTAL THAILAND		12,212,468	18.87
VIETNAM			
VINHOMES JSC	253,305	691,714	1.07
Total Equities		63,317,157	97.86
Portfolio of investments		63,317,157	97.86
Other net assets/(liabilities)		1,382,840	2.14
Net assets attributable to unitholders		64,699,997	100.00

* The Manager is a subsidiary of United Overseas Bank Ltd.

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

United ASEAN Fund

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (Summary)		
Quoted equities		
Indonesia	18.42	16.86
Malaysia	17.30	19.83
Philippines	4.32	7.27
Singapore	36.54	26.63
Taiwan	1.34	1.04
Thailand	18.87	23.84
Vietnam	1.07	2.13
Portfolio of investments	97.86	97.60
Other net assets/(liabilities)	2.14	2.40
Net assets attributable to unitholders	100.00	100.00

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

United ASEAN Fund

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Industry - Secondary Quoted equities			
Communication Services	2,070,162	3.20	4.60
Consumer Discretionary	6,099,484	9.43	8.00
Consumer Staples	3,053,072	4.72	3.51
Energy	5,453,633	8.43	6.82
Financials	23,465,482	36.27	30.27
Health Care	2,442,014	3.77	4.06
Industrials	11,757,973	18.17	11.26
Information Technology	-	-	7.71
Materials	2,032,363	3.14	6.35
Real Estate	5,950,395	9.20	11.83
Utilities	992,579	1.53	3.19
Portfolio of investments	63,317,157	97.86	97.60
Other net assets/(liabilities)	1,382,840	2.14	2.40
Net assets attributable to unitholders	64,699,997	100.00	100.00

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1 General

United ASEAN 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 investment objective of the Fund is to achieve medium to long term capital growth through investing primarily in equity and equity-related securities of companies which are incorporated in, listed in, or derive a significant proportion of their revenue or profits from or have a significant proportion of their assets in, the Association of Southeast Asian Nations (ASEAN).

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 31 December 2022

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.

(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 31 December 2022

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 31 December 2022

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.

3 Income tax

	2022	2021
	\$	\$
Singapore income tax	5,155	4,613
Overseas income tax	<u>142,858</u>	<u>138,784</u>
Total income tax	<u>148,013</u>	<u>143,397</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 Income tax (continued)

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 Singapore income tax represents tax deducted at source for Singapore sourced dividends.

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

The Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the financial year. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4 Receivables

	2022	2021
	\$	\$
Amounts receivable for creation of units	3,643	146
Dividends receivable	4,180	21,997
Other receivables	<u>28,177</u>	<u>56,810</u>
	<u>36,000</u>	<u>78,953</u>

5 Payables

	2022	2021
	\$	\$
Amounts payable for cancellation of units	149,383	82,492
Amount due to the Manager	161,366	148,123
Amount due to Trustee	5,648	5,184
Tax payables	1,058	332
Other creditors and accrued expenses	<u>45,902</u>	<u>59,385</u>
	<u>363,357</u>	<u>295,516</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6 Units in issue

During the financial years ended 31 December 2022 and 2021, the numbers of units issued, redeemed and outstanding were as follows:

	2022	2021
Units at the beginning of the financial year	32,302,606	35,190,715
Units created	11,452,199	1,535,755
Units cancelled	<u>(6,119,763)</u>	<u>(4,423,864)</u>
Units at the end of the financial year*	<u>37,635,042</u>	<u>32,302,606</u>
 *Included above are units denominated in USD	 12,224,937	 12,581,933
	\$	\$
 Net assets attributable to unitholders	 64,699,997	 57,762,711
Net assets value per unit	1.719	1.788

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 equity investments 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 and industries, 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 31 December 2022

	SGD	PHP	MYR	IDR	THB	USD	VND	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	23,640,414	2,794,206	11,192,702	11,918,953	12,212,468	866,700	691,714	63,317,157
Receivables	29,838	4,180	-	-	-	1,982	-	36,000
Cash and bank balances	1,392,995	-	-	-	1,152	63,004	92,345	1,549,496
Margin accounts	-	-	-	-	-	160,701	-	160,701
Total Assets	25,063,247	2,798,386	11,192,702	11,918,953	12,213,620	1,092,387	784,059	65,063,354
Liabilities								
Payables	334,846	1,058	-	-	-	27,453	-	363,357
Total Liabilities	334,846	1,058	-	-	-	27,453	-	363,357
Net Assets	24,728,401	2,797,328	11,192,702	11,918,953	12,213,620	1,064,934	784,059	

United ASEAN Fund
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NOTES TO THE FINANCIAL STATEMENTS

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7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2021

	SGD	PHP	MYR	IDR	THB	USD	VND	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	15,382,704	4,200,451	11,452,693	9,737,641	13,769,391	603,189	1,228,716	56,374,785
Receivables	59,019	-	19,934	-	-	-	-	78,953
Cash and bank balances	1,252,780	-	-	-	-	94,516	96,021	1,443,317
Margin accounts	-	-	-	-	-	161,172	-	161,172
Total Assets	<u>16,694,503</u>	<u>4,200,451</u>	<u>11,472,627</u>	<u>9,737,641</u>	<u>13,769,391</u>	<u>858,877</u>	<u>1,324,737</u>	<u>58,058,227</u>
Liabilities								
Payables	263,356	-	-	-	-	32,160	-	295,516
Total Liabilities	<u>263,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,160</u>	<u>-</u>	<u>295,516</u>
Net Assets	<u>16,431,147</u>	<u>4,200,451</u>	<u>11,472,627</u>	<u>9,737,641</u>	<u>13,769,391</u>	<u>826,717</u>	<u>1,324,737</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

The COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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 31 December 2022

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 equities on the Fund's net assets attributable to unitholders at 31 December 2022 and 2021. The analysis is based on the assumption that the index components within the benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Fund's investments moved according to the historical correlation with the index.

Benchmark component	Volatility %	2022	Volatility %	2021
		Net impact to net assets attributable to unitholders \$		Net impact to net assets attributable to unitholders \$
MSCI South East Asia	20	11,710,595	20	10,633,699

(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 and margin accounts 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges.

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 31 December 2022			
Payables	363,357	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2021			
Payables	295,516	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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, margin accounts 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 31 December 2022 and 2021.

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

	Credit rating as at 31 December 2022	Credit rating as at 31 December 2021
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Margin accounts		
Morgan Stanley & Co. International Plc	a+	n/a*
StoneX Financial Pte. Ltd.	n/a*	non-rated

* *The Fund has no exposure to the counterparties as at 31 December 2022 or 2021.*

The maximum exposure to credit risk at the financial year end date is the carrying amount of the portfolio of investments, cash and bank balances and margin accounts 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 Financial risk management (continued)

(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.

(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 31 December 2022 and 2021:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2022				
Assets				
Portfolio of investments				
- Quoted equities	<u>63,317,157</u>	<u>-</u>	<u>-</u>	<u>63,317,157</u>
Total	<u>63,317,157</u>	<u>-</u>	<u>-</u>	<u>63,317,157</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2021				
Assets				
Portfolio of investments				
- Quoted equities	<u>56,374,785</u>	<u>-</u>	<u>-</u>	<u>56,374,785</u>
Total	<u>56,374,785</u>	<u>-</u>	<u>-</u>	<u>56,374,785</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 Financial risk management (continued)

(e) Fair value estimation (continued)

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

Except for cash and bank balances and margin accounts which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 31 December 2022 and 2021 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

8 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 is 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:

	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	1,549,496	1,443,317

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Related party transactions (continued)

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

	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	272	-
United Overseas Bank Limited		
Bank charges	12,283	15,288

(d) UOB Kay Hian Pte Ltd is an affiliated company of United Overseas Bank Limited.

During the financial year, the Fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

	2022	2021
	\$	\$
Brokerage charges	18,386	9,593

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Financial ratios

	2022	2021
	\$	\$
Total operating expenses	827,206	743,480
Average daily net assets value	<u>66,346,567</u>	<u>60,085,808</u>
Expense ratio ¹	<u>1.25%</u>	<u>1.24%</u>
Lower of total value of purchases or sales	33,326,010	35,807,471
Average daily net assets value	<u>66,346,567</u>	<u>60,085,808</u>
Turnover ratio ²	<u>50.23%</u>	<u>59.59%</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). 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, performance fee, 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.

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