

# 新加坡大華新加坡增長基金 (基金之配息來源可能為本金) 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](http://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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# 新加坡大華新加坡增長基金財務報告

## 【新加坡大華新加坡增長基金財務報告】 會計師查核報告

新加坡大華新加坡增長基金（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

# 新加坡大華新加坡增長基金財務報告

## 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	1,869,986	1,431,340
利息	3,486	-
	<b>1,873,472</b>	<b>1,431,340</b>
減項：費用		
管理費	466,991	474,138
受託公司費	16,242	16,583
查核費	16,317	16,308
登錄費	15,000	14,979
保管費	13,965	21,712
交易成本	22,871	127,492
利息費用	1,308	-
其他費用	138,924	130,214
總費用	<b>691,618</b>	<b>801,426</b>
淨收益（損失）	<b>1,181,854</b>	<b>629,914</b>
淨投資總收益（損失）		
淨投資收益(損失)	2,603,702	4,523,442
衍生性金融商品收益（損失）	(2,356)	245,448
兌換收益(損失)	(1,110)	(2,089)
	<b>2,600,236</b>	<b>4,766,801</b>
稅前總投資報酬（損失）	<b>3,782,090</b>	<b>5,396,715</b>
減項：所得稅	(20,420)	(27,998)
總投資報酬（損失）	<b>3,761,670</b>	<b>5,368,717</b>

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# 新加坡大華新加坡增長基金財務報告

## 資產負債表 2022年12月31日

	2022 星幣\$	2021 星幣\$
<b>資產</b>		
投資組合部位	45,456,417	42,761,069
應收帳款	31,183	130,077
現金及銀行存款	1,078,925	2,011,709
券商保證金	719,051	717,564
<b>總資產</b>	<b>47,285,576</b>	<b>45,620,419</b>
<b>負債</b>		
應付帳款	191,611	234,294
應付配息	541,488	528,464
<b>總負債</b>	<b>733,099</b>	<b>762,758</b>
<b>權益</b>		
基金單位持有人資產淨值	46,552,477	44,857,661

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# United Singapore Growth Fund

Annual Report

for the financial year ended  
31 December 2022



Right By You



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

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**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 Singapore Growth Fund

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

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## 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 28 February 1990 Ann Comp Ret
United Singapore Growth Fund	4.31	6.04	8.26	2.40	1.81	2.93	5.81
Benchmark	4.42	6.92	8.39	3.50	3.05	4.19	4.76

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 - 31 December 2012: Straits Times Index; 1 January 2013 - 4 May 2021: MSCI Singapore Index; 5 May 2021 to Present: FTSE Straits Times Index.

For the twelve months ended 31 December 2022, the net asset value (NAV) of the Fund **rose 8.26%** compared with the 8.39% gain in the benchmark FTSE Straits Times Index in Singapore Dollar (SGD) terms.

The Fund's underperformance was largely attributed to positive stock selection in the **Industrials** and **Real Estate** sectors which was insufficient to offset drags from the **Financials** sector.

Key contributors to performance included **Keppel Corp Ltd**, **United Overseas Bank Ltd** and **DBS Group Holdings Ltd**.

Key detractors included **Frasers Logistics & Commercial Trust**, **Singapore Technologies Engineering Ltd** and **Keppel DC REIT**.

As at 31 December 2022, the Fund had the following sector allocation: **Financials** (46.71%), **Real Estate** (21.49%), **Industrials** (18.39%), **Communication Services** (4.42%), others (6.64%) and 2.35% in cash.

## 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 signaling which led to parts of the US yield curve inverting.



## United Singapore Growth Fund

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### A) Fund Performance (continued)

Markets took another leg down in June and the month after witnessed 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's** reopening drove outperformance in **Thailand** while **Indonesia** benefitted from strong commodity prices. For **Singapore**, the Straits Times Index (STI) rose 8.4% driven by the **Financials** sector on the back of rising net interest margins, along with an earlier-than-expected economy reopening which supported investor optimism in tourism-related sectors. On the contrary, the MSCI Singapore Index fell 10% largely due to a 55-76% share price correction 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 resilience. We are constructive on North Asia on the back of a slower but still modest earnings outlook with **China** reopening to provide support. In ASEAN, the ongoing reopening impulse in the region should drive a greater uplift in services sector to partly cushion the slowdown in trade exports.

Looking ahead, we expect a challenging outlook for **Singapore** as many of the macro-level headwinds seen last year continue to persist into 2023. Weakening exports demand especially for electronics and inflationary pressures from the GST increase from 7% to 8% in 2023 is expected to dampen corporates' profitability and weigh on domestic consumption. The MAS projects a below-trend GDP growth of 0-2.5% for 2023 (vs 2022: 3.8%), and core inflation at 3.5-4.5% (vs 2022 forecast: 4%).

We are cognizant of the risks ahead but see pockets of opportunities with a focus on stock bottom-up drivers and laggards. In particular, we see scope for capital management in the form of higher total returns in selective stocks through longer-term restructuring initiatives and capital recycling. 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.

In addition, we have also positioned favourably in stocks which are potential beneficiaries of a Fed pivot. In particular, a peak in rate hikes could catalyse the REITs sector which was battered by rising rates, inflation and real yields last year. The technology sector also stands to benefit from a potential mean-reversion from a valuation standpoint.

**A) Fund Performance** (continued)

For defensiveness, our preference is for domestic earnings resilience and potential inflation hedges amid continued elevated inflation environment. **Consumer Staples** with strong pricing power and value food services would likely be more resilient.

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

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

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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**

**i) Country**

	Fair Value (S\$)	% of NAV
Singapore	45,456,417	97.65
Portfolio of investments	45,456,417	97.65
Other net assets/(liabilities)	1,096,060	2.35
<b>Total</b>	<b>46,552,477</b>	<b>100.00</b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Communication Services	2,056,000	4.42
Consumer Discretionary	564,118	1.21
Consumer Staples	1,440,318	3.09
Financials	21,743,296	46.71
Industrials	8,559,666	18.39
Information Technology	1,090,134	2.34
Real Estate	10,002,885	21.49
Portfolio of investments	45,456,417	97.65
Other net assets/(liabilities)	1,096,060	2.35
<b>Total</b>	<b>46,552,477</b>	<b>100.00</b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted equities	45,456,417	97.65
Other net assets/(liabilities)	1,096,060	2.35
<b>Total</b>	<b>46,552,477</b>	<b>100.00</b>

**iv) Credit rating of quoted bonds**

N/A

**United Singapore Growth Fund**  
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**C) Top Ten Holdings**

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
DBS GROUP HOLDINGS LTD	8,310,400	17.85
OVERSEA-CHINESE BANKING CORP LTD	6,361,614	13.67
UNITED OVERSEAS BANK LTD*	5,528,302	11.88
KEPPEL CORP LTD	2,988,942	6.42
CAPITALAND INVESTMENT LTD/SINGAPORE	2,775,000	5.96
SINGAPORE AIRLINES LTD	2,513,938	5.40
SINGAPORE TELECOMMUNICATIONS LTD	2,056,000	4.42
SINGAPORE TECHNOLOGIES ENGINEERING LTD	2,010,000	4.32
CAPITALAND INTEGRATED COMMERCIAL TRUST	1,750,198	3.76
SINGAPORE EXCHANGE LTD	1,542,980	3.31

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
DBS GROUP HOLDINGS LTD	8,001,700	17.84
OVERSEA-CHINESE BANKING CORP LTD	5,700,000	12.70
UNITED OVERSEAS BANK LTD*	4,844,018	10.80
KEPPEL CORP LTD	3,072,000	6.85
CAPITALAND INVESTMENT LTD/SINGAPORE	2,557,500	5.70
SINGAPORE AIRLINES LTD	2,268,454	5.06
SINGAPORE TECHNOLOGIES ENGINEERING LTD	2,256,000	5.03
SINGAPORE TELECOMMUNICATIONS LTD	1,856,000	4.14
CAPITALAND INTEGRATED COMMERCIAL TRUST	1,750,198	3.90
ASCENDAS REAL ESTATE INVESTMENT TRUST	1,599,935	3.57

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

**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 2,356 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	4,901,220
Total amount of subscriptions	SGD	3,895,139

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

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")<sup>1</sup> 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

- iii) Turnover ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

<sup>1</sup> 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.

## **United Singapore Growth Fund**

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

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- 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

## **REPORT OF THE TRUSTEE**

The Trustee is under a duty to take into custody and hold the assets of United Singapore Growth 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 37, 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 Singapore Growth Fund**  
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**STATEMENT BY THE MANAGER**

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 15 to 37, 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 Singapore Growth 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 SINGAPORE GROWTH FUND**

### ***Our Opinion***

In our opinion, the accompanying financial statements of United Singapore Growth 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 SINGAPORE GROWTH 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 SINGAPORE GROWTH 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 Singapore Growth Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT OF TOTAL RETURN**

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Income</b>			
Dividends		1,869,986	1,431,340
Interest		<u>3,486</u>	-
<b>Total</b>		<u>1,873,472</u>	<u>1,431,340</u>
<b>Less: Expenses</b>			
Management fee	9	466,991	474,138
Trustee fee	9	16,242	16,583
Audit fee		16,317	16,308
Registrar fee	9	15,000	14,979
Custody fee	9	13,965	21,712
Transaction costs		22,871	127,492
Interest expenses		1,308	-
Other expenses		<u>138,924</u>	130,214
<b>Total</b>		<u>691,618</u>	<u>801,426</u>
<b>Net income/(losses)</b>		<u>1,181,854</u>	<u>629,914</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		2,603,702	4,523,442
Net gains/(losses) on financial derivatives		(2,356)	245,448
Net foreign exchange gains/(losses)		<u>(1,110)</u>	<u>(2,089)</u>
		<u>2,600,236</u>	<u>4,766,801</u>
<b>Total return/(deficit) for the financial year before income tax</b>		3,782,090	5,396,715
Less: Income tax	3	<u>(20,420)</u>	<u>(27,998)</u>
<b>Total return/(deficit) for the financial year</b>		<u>3,761,670</u>	<u>5,368,717</u>

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

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

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**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
Portfolio of investments		<b>45,456,417</b>	42,761,069
Receivables	5	<b>31,183</b>	130,077
Cash and bank balances		<b>1,078,925</b>	2,011,709
Margin accounts		<u><b>719,051</b></u>	<u>717,564</u>
<b>Total assets</b>		<u><b>47,285,576</b></u>	<u>45,620,419</u>
<b>Liabilities</b>			
Payables	6	<b>191,611</b>	234,294
Distribution payable	4	<u><b>541,488</b></u>	<u>528,464</u>
<b>Total liabilities</b>		<u><b>733,099</b></u>	<u>762,758</u>
<b>Equity</b>			
<b>Net assets attributable to unitholders</b>	7	<u><b>46,552,477</b></u>	<u>44,857,661</u>

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

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

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**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS**

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>44,857,661</b>	44,975,585
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>3,761,670</b>	5,368,717
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>3,895,139</b>	4,719,190
Cancellation of units		<b>(4,901,220)</b>	(9,114,785)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(1,006,081)</b>	(4,395,595)
Distributions	4	<b>(1,060,773)</b>	(1,091,046)
Total increase/(decrease) in net assets attributable to unitholders		<b><u>1,694,816</u></b>	<u>(117,924)</u>
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b><u>46,552,477</u></b>	<u>44,857,661</u>

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

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

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**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 %
<b>By Industry - Primary</b>			
<b>Quoted equities</b>			
<b>COMMUNICATION SERVICES</b>			
SINGAPORE TELECOMMUNICATIONS LTD	800,000	2,056,000	4.42
<b>CONSUMER DISCRETIONARY</b>			
GENTING SINGAPORE LTD	590,700	564,118	1.21
<b>CONSUMER STAPLES</b>			
WILMAR INTERNATIONAL LTD	345,400	1,440,318	3.09
<b>FINANCIALS</b>			
DBS GROUP HOLDINGS LTD	245,000	8,310,400	17.85
OVERSEA-CHINESE BANKING CORP LTD	522,300	6,361,614	13.67
SINGAPORE EXCHANGE LTD	172,400	1,542,980	3.31
UNITED OVERSEAS BANK LTD*	180,075	<u>5,528,302</u>	<u>11.88</u>
<b>TOTAL FINANCIALS</b>		<u><b>21,743,296</b></u>	<u><b>46.71</b></u>
<b>INDUSTRIALS</b>			
KEPPEL CORP LTD	411,700	2,988,942	6.42
SEMBCORP INDUSTRIES LTD	309,700	1,046,786	2.25
SINGAPORE AIRLINES LTD	454,600	2,513,938	5.40
SINGAPORE TECHNOLOGIES ENGINEERING LTD	600,000	<u>2,010,000</u>	<u>4.32</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>8,559,666</b></u>	<u><b>18.39</b></u>

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



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

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**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 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INFORMATION TECHNOLOGY</b>			
VENTURE CORP LTD	63,900	1,090,134	2.34
<b>REAL ESTATE</b>			
CAPITALAND ASCENDAS REIT	542,351	1,486,042	3.19
CAPITALAND INTEGRATED COMMERCIAL TRUST	857,940	1,750,198	3.76
CAPITALAND INVESTMENT LTD/SINGAPORE	750,000	2,775,000	5.96
CDL HOSPITALITY TRUSTS STAPLED SECURITY	405,400	506,750	1.09
CITY DEVELOPMENTS LTD	142,500	1,172,775	2.52
ESR LOGOS REIT	1,798,961	665,616	1.43
FRASERS LOGISTICS & COMMERCIAL TRUST	686,800	796,688	1.71
KEPPEL DC REIT	1,200	2,124	0.01
MAPLETREE PAN ASIA COMMERCIAL TRUST	507,600	<u>847,692</u>	<u>1.82</u>
<b>TOTAL REAL ESTATE</b>		<u><b>10,002,885</b></u>	<u><b>21.49</b></u>
<b>Total Equities</b>		<u><b>45,456,417</b></u>	<u><b>97.65</b></u>
<b>Portfolio of investments</b>		<b>45,456,417</b>	<b>97.65</b>
<b>Other net assets/(liabilities)</b>		<u><b>1,096,060</b></u>	<u><b>2.35</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>46,552,477</b></u>	<u><b>100.00</b></u>

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

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

# United Singapore Growth Fund

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

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## STATEMENT OF PORTFOLIO

As at 31 December 2022

	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2021 %</b>
<b>By Industry - Primary (Summary)</b>		
<b>Quoted equities</b>		
Communication Services	<b>4.42</b>	4.14
Consumer Discretionary	<b>1.21</b>	-
Consumer Staples	<b>3.09</b>	2.31
Financials	<b>46.71</b>	46.74
Industrials	<b>18.39</b>	19.28
Information Technology	<b>2.34</b>	2.61
Real Estate	<b>21.49</b>	20.25
<b>Portfolio of investments</b>	<b>97.65</b>	95.33
<b>Other net assets/(liabilities)</b>	<b>2.35</b>	4.67
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

## **By Geography - Secondary**

### **Quoted equities**

The Fund invests wholly in Singapore equities.

## **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 Singapore Growth 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 appreciation and to receive regular income distributions during the investment period through investing in shares of companies listed or quoted on the Singapore Exchange Securities Trading. There will be no limit on foreign currency denominated investments in respect of the Fund.

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

	<b>2022</b>	2021
	<b>\$</b>	\$
Singapore income tax	<b>20,420</b>	27,998

# United Singapore Growth Fund

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

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## 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.

### 4 Distributions

	2022		2021	
	Per 100 units	Amount	Per 100 units	Amount
	\$	\$	\$	\$
June interim distribution on units outstanding as at 1 July 2022 (2021: 1 July 2021)	3.986	519,285	4.000	562,582
December final distribution on units outstanding as at 3 January 2023 (2021: 3 January 2022)	4.178	<u>541,488</u>	4.000	<u>528,464</u>
		<u>1,060,773</u>		<u>1,091,046</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 Receivables**

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Amounts receivable for creation of units	<b>9,422</b>	1,951
Dividends receivable	-	77,610
Other receivables	<u><b>21,761</b></u>	<u>50,516</u>
	<u><b>31,183</b></u>	<u>130,077</u>

**6 Payables**

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Amounts payable for cancellation of units	<b>10,577</b>	38,433
Amount due to the Manager	<b>116,935</b>	115,562
Amount due to Trustee	<b>4,093</b>	4,045
Tax payables	-	6,694
Other creditors and accrued expenses	<u><b>60,006</b></u>	<u>69,560</u>
	<u><b>191,611</b></u>	<u>234,294</u>



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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue**

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

	<b>2022</b>	2021
Units at the beginning of the financial year	<b>13,211,609</b>	14,496,259
Units created	<b>1,107,415</b>	1,393,343
Units cancelled	<u><b>(1,358,443)</b></u>	<u>(2,677,993)</u>
Units at the end of the financial year*	<u><b>12,960,581</b></u>	<u>13,211,609</u>
 *Included above are units denominated in USD	 <b>385,011</b>	 451,095
	<b>\$</b>	<b>\$</b>
 Net assets attributable to unitholders	 <b>46,552,477</b>	 44,857,661
Net assets value per unit	<b>3.591</b>	3.395

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, for the purpose of determining the accounting net asset values in the financial statements.

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date is prepared below:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>3.591</b>	3.395
Effect of distribution payable	<u><b>0.042</b></u>	<u>0.040</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>3.633</b></u>	<u>3.435</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

### **8 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.

#### **(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 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

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

**As at 31 December 2022**

	SGD \$	USD \$	Total \$
<b>Assets</b>			
Portfolio of investments	45,456,417	-	45,456,417
Receivables	28,085	3,098	31,183
Cash and bank balances	1,055,233	23,692	1,078,925
Margin accounts	718,386	665	719,051
<b>Total Assets</b>	<u>47,258,121</u>	<u>27,455</u>	<u>47,285,576</u>
<b>Liabilities</b>			
Payables	191,611	-	191,611
Distribution payable	525,401	16,087	541,488
<b>Total Liabilities</b>	<u>717,012</u>	<u>16,087</u>	<u>733,099</u>
<b>Net currency exposure</b>	<u>46,541,109</u>	<u>11,368</u>	

**United Singapore Growth Fund**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

As at 31 December 2021

	SGD \$	USD \$	Total \$
<b>Assets</b>			
Portfolio of investments	42,665,987	95,082	42,761,069
Receivables	128,126	1,951	130,077
Cash and bank balances	1,859,276	152,433	2,011,709
Margin accounts	<u>716,432</u>	<u>1,132</u>	<u>717,564</u>
<b>Total Assets</b>	<u>45,369,821</u>	<u>250,598</u>	<u>45,620,419</u>
<b>Liabilities</b>			
Payables	234,294	-	234,294
Distribution payable	<u>510,420</u>	<u>18,044</u>	<u>528,464</u>
<b>Total Liabilities</b>	<u>744,714</u>	<u>18,044</u>	<u>762,758</u>
<b>Net currency exposure</b>	<u>44,625,107</u>	<u>232,554</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

### 8 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 \$
FTSE Straits Times Index	20	8,585,731	20	8,062,579

##### (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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 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.

	<b>Less than 3 months \$</b>	<b>3 months to 1 year \$</b>	<b>Over 1 year \$</b>
<b>As at 31 December 2022</b>			
Payables	<b>191,611</b>	-	-
Distribution payable	<b>541,488</b>	-	-
	<b>Less than 3 months \$</b>	<b>3 months to 1 year \$</b>	<b>Over 1 year \$</b>
<b>As at 31 December 2021</b>			
Payables	234,294	-	-
Distribution payable	528,464	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 8 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.

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

\* 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 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 \$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>45,456,417</u>	<u>-</u>	<u>-</u>	<u>45,456,417</u>
<b>Total</b>	<u>45,456,417</u>	<u>-</u>	<u>-</u>	<u>45,456,417</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>42,761,069</u>	<u>-</u>	<u>-</u>	<u>42,761,069</u>
<b>Total</b>	<u>42,761,069</u>	<u>-</u>	<u>-</u>	<u>42,761,069</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 8 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.

### 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 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
	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Cash and bank balances	1,078,925	2,011,709

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**9 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:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Interest income	<b>187</b>	-
<b>United Overseas Bank Limited</b>		
Bank charges	<b>15,012</b>	16,667

(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:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Brokerage charges	<b>4,782</b>	9,360

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**10 Financial ratios**

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Total operating expenses	<b>667,439</b>	673,934
Average daily net assets value	<u><b>46,701,334</b></u>	<u>47,397,128</u>
Expense ratio <sup>1</sup>	<u><b>1.43%</b></u>	<u>1.42%</u>
Lower of total value of purchases or sales	<b>5,090,958</b>	17,057,831
Average daily net assets value	<u><b>46,701,334</b></u>	<u>47,397,128</u>
Turnover ratio <sup>2</sup>	<u><b>10.90%</b></u>	<u>35.99%</u>

<sup>1</sup> 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.

<sup>2</sup> 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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