



United Global Quality Equity Fund

**Interim Report
31 December 2021**

UNITED GLOBAL QUALITY EQUITY FUND

Unaudited Interim Report and Financial Statements For the Financial Period from 1 July 2021 to 31 December 2021

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(A) MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of United Global Quality Equity Fund (the "Fund") for the financial period from 1 July 2021 to 31 December 2021.

(1) Key Data of the Fund

1.1	Fund name	United Global Quality Equity Fund																																																						
1.2	Name of target fund	United Global Quality Growth Fund																																																						
1.3	Fund category	Equity (feeder fund)																																																						
1.4	Fund type	Growth																																																						
1.5	Investment objective	The Fund seeks to provide Long Term (i.e. a period of at least five (5) years) capital appreciation by investing in the United Global Quality Growth Fund ("Target Fund") which invests in equities and equity-related securities of companies listed and traded on stock exchanges globally.																																																						
1.6	Performance benchmark	Morgan Stanley Capital Investment All Country World Index ("MSCI All Country World Index"), which is also the performance benchmark of the Target Fund.																																																						
1.7	Duration	The Fund was launched on 26 September 2016 and shall exist for as long as it appears to the Manager and Trustee that it is in the interests of the unit holders for it to continue. In some circumstances, the unit holders can resolve at a meeting to terminate the Fund.																																																						
1.8	Distribution policy	Subject to the availability of income, distribution is incidental. Distribution declared (if any) will be automatically reinvested into the unit holders' accounts in the form of additional units in the Fund at no cost.																																																						
1.9	Breakdown of unit holdings by size	<table border="1"><thead><tr><th colspan="3"><u>MYR hedged Class</u></th></tr><tr><th colspan="3">As at 31 December 2021</th></tr><tr><th>Size of holding</th><th>No. of unit holders</th><th>No. of units held</th></tr></thead><tbody><tr><td>• 5,000 and below</td><td>16</td><td>38,250.99</td></tr><tr><td>• 5,001 to 10,000</td><td>7</td><td>47,998.50</td></tr><tr><td>• 10,001 to 50,000</td><td>22</td><td>500,351.17</td></tr><tr><td>• 50,001 to 500,000</td><td>13</td><td>1,873,130.15</td></tr><tr><td>• 500,001 and above</td><td>15</td><td>920,264,002.70</td></tr><tr><td>Total</td><td>73</td><td>922,723,733.51</td></tr></tbody></table> <table border="1"><thead><tr><th colspan="3"><u>USD Class</u></th></tr><tr><th colspan="3">As at 31 December 2021</th></tr><tr><th>Size of holding</th><th>No. of unit holders</th><th>No. of units held</th></tr></thead><tbody><tr><td>• 5,000 and below</td><td>1</td><td>914.73</td></tr><tr><td>• 5,001 to 10,000</td><td>0</td><td>0.00</td></tr><tr><td>• 10,001 to 50,000</td><td>2</td><td>75,833.82</td></tr><tr><td>• 50,001 to 500,000</td><td>2</td><td>170,387.54</td></tr><tr><td>• 500,001 and above</td><td>4</td><td>24,458,466.55</td></tr><tr><td>Total</td><td>9</td><td>24,705,602.64</td></tr></tbody></table>	<u>MYR hedged Class</u>			As at 31 December 2021			Size of holding	No. of unit holders	No. of units held	• 5,000 and below	16	38,250.99	• 5,001 to 10,000	7	47,998.50	• 10,001 to 50,000	22	500,351.17	• 50,001 to 500,000	13	1,873,130.15	• 500,001 and above	15	920,264,002.70	Total	73	922,723,733.51	<u>USD Class</u>			As at 31 December 2021			Size of holding	No. of unit holders	No. of units held	• 5,000 and below	1	914.73	• 5,001 to 10,000	0	0.00	• 10,001 to 50,000	2	75,833.82	• 50,001 to 500,000	2	170,387.54	• 500,001 and above	4	24,458,466.55	Total	9	24,705,602.64
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1.9	Breakdown of unit holdings by size (continued)	SGD hedged Class		
		As at 31 December 2021		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	1	1,930.06
		• 5,001 to 10,000	0	0.00
		• 10,001 to 50,000	2	70,550.34
		• 50,001 to 500,000	3	989,180.22
		• 500,001 and above	4	19,160,731.91
		Total	10	20,222,392.53
		AUD hedged Class		
		As at 31 December 2021		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	0	0.00
		• 5,001 to 10,000	0	0.00
		• 10,001 to 50,000	0	0.00
• 50,001 to 500,000	1	305,840.47		
• 500,001 and above	3	20,972,106.64		
Total	4	21,277,947.11		

(2) Performance Data of the Fund

2.1	Portfolio composition	Details of portfolio composition of the Fund for the financial period as at 31 December are as follows:			
		Sectors, category of investments & cash holdings	As at 31 December 2021 (%)	As at 31 December 2020 (%)	As at 31 December 2019 (%)
		Foreign collective investment scheme	91.47	93.50	96.23
		Cash	8.53	6.50	3.77
		Total	100.00	100.00	100.00
2.2	Performance details	Performance details of the Fund for the financial period ended 31 December are as follows:			
			As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
		Net Asset Value ("NAV") (RM)			
		- MYR hedged Class	793,054,873	389,094,631	201,870,906
		- USD Class	87,041,264	39,876,026	33,412,669
- SGD hedged Class	45,495,701	19,408,493	12,831,249		
- AUD hedged Class	38,985,836	25,920,537	4,913,017		

2.2 Performance details (continued)	NAV per unit in RM			
	- MYR hedged Class	0.8595	0.8003	0.7411
	- USD Class	3.5231	3.2079	2.9859
	- SGD hedged Class	2.2498	2.0904	1.9559
	- AUD hedged Class	1.8322	1.8103	1.5060
	NAV per unit in respective currencies			
	- MYR hedged Class (RM)	0.8595	0.8003	0.7411
	- USD Class (USD)	0.8461	0.7980	0.7302
	- SGD hedged Class (SGD)	0.7284	0.6874	0.6434
	- AUD hedged Class (AUD)	0.6053	0.5835	0.5242
	Units in circulation			
	- MYR hedged Class	922,723,734	486,188,545	272,385,677
	- USD Class	24,705,602	12,430,723	11,190,226
	- SGD hedged Class	20,222,393	9,284,718	6,560,274
	- AUD hedged Class	21,277,947	14,318,014	3,262,189
	Highest NAV per unit in respective currencies			
	- MYR hedged Class (RM)	0.8812	0.8030	0.7453
	- USD Class (USD)	0.8684	0.8006	0.7335
	- SGD hedged Class (SGD)	0.7475	0.6893	0.6467
	- AUD hedged Class (AUD)	0.6218	0.5835	0.5274
	Lowest NAV per unit in respective currencies			
	- MYR hedged Class (RM)	0.8126	0.6996	0.4813
	- USD Class (USD)	0.8022	0.6934	0.4780
	- SGD hedged Class (SGD)	0.6907	0.5987	0.4913
	- AUD hedged Class (AUD)	0.5747	0.5067	0.4833
	Total return (%)			
	- MYR hedged Class	6.24	16.48	6.79
	- USD Class	5.54	17.19	6.74
	- SGD hedged Class	5.53	16.90	6.24
	- AUD hedged Class	4.75	15.16	--
	Capital growth (%)			
	- MYR hedged Class	4.30	14.39	4.91
- USD Class	3.60	15.09	4.87	
- SGD hedged Class	3.60	14.82	4.38	
- AUD hedged Class	2.82	15.16	--	
Income distribution (%)				
- MYR hedged Class	1.94	2.09	1.88	
- USD Class	1.94	2.10	1.87	
- SGD hedged Class	1.93	2.08	1.86	
- AUD hedged Class	1.93	--	--	
Gross distribution (sen per unit) in respective currencies				
- MYR hedged Class (RM)	1.56 #	1.38	1.28	
- USD Class (USD)	1.54 #	1.38	1.26	
- SGD hedged Class (SGD)	1.33 #	1.18	1.11	
- AUD hedged Class (AUD)	1.11 #	--	--	

2.2 Performance details (continued)	Net distribution (sen per unit) in respective currencies			
	- MYR hedged Class (RM)	1.56 [#]	1.38	1.28
	- USD Class (USD)	1.54 [#]	1.38	1.26
	- SGD hedged Class (SGD)	1.33 [#]	1.18	1.11
	- AUD hedged Class (AUD)	1.11 [#]	--	--
	Management expense ratio ("MER") (%)	0.93 ¹	0.93	0.21
	Portfolio turnover ratio ("PTR") (times)	0.12 ²	0.26	0.25
	<i>Notes:</i>			
	[#] Date of distribution is shown in part 2.8 - Income distribution / Unit splits.			
	¹ The MER for the financial period was consistent with the previous financial period.			
	² PTR is lower against previous financial period mainly due to lower trading activity.			
	Average total return			
		As at 31 December 2021 (%) (annualized)		
	Since commencement (17 October 2016)			
	- MYR hedged Class	14.76		
	- USD Class	14.41		
	Since commencement (31 July 2017)			
	- SGD hedged Class	13.29		
	Since commencement (20 August 2019)			
	- AUD hedged Class	11.98		
	1 year			
- MYR hedged Class	15.89			
- USD Class	14.41			
- SGD hedged Class	14.37			
- AUD hedged Class	12.01			
3 years				
- MYR hedged Class	19.95			
- USD Class	19.68			
- SGD hedged Class	18.50			
- AUD hedged Class	--			
5 years				
- MYR hedged Class	15.95			
- USD Class	15.79			
- SGD hedged Class	--			
- AUD hedged Class	--			
Annual total return				
Financial years ended 30 June	(%)			
2021				
- MYR hedged Class	27.06			
- USD Class	27.05			
- SGD hedged Class	26.70			
- AUD hedged Class	23.14			

2.2	Performance details (continued)	<p>2020</p> <ul style="list-style-type: none"> - MYR hedged Class 6.49 - USD Class 7.06 - SGD hedged Class 4.44 <p>Since commencement (20 August 2019) - 30 June 2020</p> <ul style="list-style-type: none"> - AUD hedged Class 1.34 <p>2019</p> <ul style="list-style-type: none"> - MYR hedged Class 10.86 - USD Class 9.70 - SGD hedged Class 10.11 <p>2018</p> <ul style="list-style-type: none"> - MYR hedged Class 16.05 - USD Class 16.29 <p>Since commencement (31 July 2017) - 30 June 2018</p> <ul style="list-style-type: none"> - SGD hedged Class 12.94 <p>Since commencement (17 October 2016) - 30 June 2017</p> <ul style="list-style-type: none"> - MYR hedged Class 10.78 - USD Class 10.12 <p>Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures have been extracted from Bloomberg.</p>	
2.3	Has the Fund achieved its investment objective?	For the financial year under review, the Fund achieved its investment objective to provide capital appreciation by investing in the Target Fund which invests in equities and equity-related securities of companies listed and traded on stock exchanges globally.	
2.4	Performance review	<p><u>MYR hedged Class</u></p> <p>For the financial period under review, the Fund registered a return of 6.24% outperforming the benchmark return of 4.84%</p> <p>For the period under review, the NAV per unit of the Fund increased by 4.30% from RM0.8241 to RM0.8595.</p> <p>The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund to 31 December 2021.</p>  <p>Source: UOBAM(M) as at 31 December 2021.</p>	

	1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
The Fund	2.81%	5.61%	6.24%	15.89%	104.87%
Benchmark*	3.90%	6.39%	4.84%	16.80%	83.56%

Source: UOBAM(M), Lipper and Bloomberg as at 31 December 2021.

* The benchmark of the Fund is MSCI All Country World Index.

USD Class

For the financial period under review, the Fund registered a return of 5.54%, outperforming the benchmark return of 4.84%.

For the period under review, the NAV per unit of the Fund increased by 3.60% from USD0.8167 to USD0.8461.

The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund to 31 December 2021.



Source: UOBAM(M) as at 31 December 2021.

	1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
The Fund	2.86%	5.33%	5.54%	14.41%	101.66%
Benchmark*	3.90%	6.39%	4.84%	16.80%	83.56%

Source: UOBAM(M), Lipper and Bloomberg as at 31 December 2021.

* The benchmark of the Fund is MSCI All Country World Index.

SGD hedged Class

For the financial period under review, the Fund registered a return of 5.53%, outperforming the benchmark return of 4.84%.

For the period under review, the NAV per unit of the Fund increased by 3.60% from SGD0.7032 to SGD0.7284.

2.4 Performance review (continued)

The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund to 31 December 2021.



Source: UOBAM(M) as at 31 December 2021.

	1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
The Fund	3.00%	5.31%	5.53%	14.37%	73.66%
Benchmark*	3.90%	6.39%	4.84%	16.80%	58.05%

Source: UOBAM(M), Lipper and Bloomberg as at 31 December 2021.

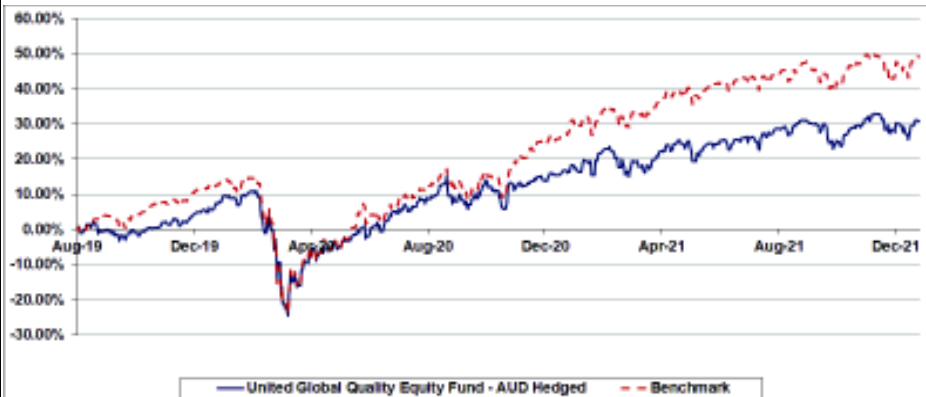
* The benchmark of the Fund is MSCI All Country World Index.

AUD hedged Class

For the financial period under review, the Fund registered a return of 4.75%, underperforming the benchmark return of 4.84%.

For the period under review, the NAV per unit of the Fund increased by 2.82% from AUD0.5887 to AUD0.6053.

The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund 31 December 2021.



Source: UOBAM(M) as at 31 December 2021.

2.4	Performance review (continued)		1-month	3-months	6-months	12-months	Since commencement (21 Aug 2019)
		The Fund	2.37%	5.08%	4.75%	12.01%	30.71%
		Benchmark*	3.90%	6.39%	4.84%	16.80%	49.00%
		<p>Source: UOBAM(M), Lipper and Bloomberg as at 31 December 2021. * The benchmark of the Fund is MSCI All Country World Index.</p> <p>Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures have been extracted from Bloomberg.</p>					
2.5	Target Fund performance	<u>Target Fund performance review</u>					
		<p>The Global Quality Growth portfolio outperformed for the six-month period driven by strong stock selection. Stock selection in health care, financials and real estate contributed the most to relative performance while selection in consumer discretionary, information technology and consumer staples detracted. Sector allocation, a byproduct of their security selection process, modestly detracted from the relative performance. Their overweight to communication services and underweight to consumer staples was offset by their overweight to information technology. Regionally holdings in North America contributed the most to relative results.</p> <p>Source: UOB Asset Management Ltd</p>					
		<u>Target Fund performance data</u>					
			1-month	3-months	6-months	12-months	Since commencement (21 Oct 2016)
2.6	Strategies and policies employed	<u>Strategies and policies of the Target Fund</u>					
		<p>The Sub-Manager of the Target Fund (i.e. Wellington Management Singapore Pte. Ltd.) initiated a position in Nestle. Nestle has a diversified portfolio spanning beverage, coffee, nutrition, health, confectionary and food. The company has remarkable scale advantages, is very well managed, and growth is accelerating. Nestle ranks most attractively for capital returns to shareholders.</p> <p>At the end of the period, their largest overweights were financials and health care, and the Sub-Manager were most underweight to consumer staples and materials. From a regional perspective, their largest overweight was Developed Europe & Middle East ex United Kingdom ("UK") and the Sub-Manager were most underweight to Japan.</p>					
		<p>* The benchmark of the Target Fund is MSCI All Country World Index (available at www.msci.com).</p> <p>Source: UOB Asset Management Ltd, Morningstar</p>					

2.6	Strategies and policies employed (continued)	<p>Strategies and policies of the Fund</p> <p>For the financial period under review, the Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund's NAV in the Target Fund at all times. Accordingly, this Fund will have a passive strategy as all the investment decisions will be made at the Target Fund level.</p> <p><i>Source: UOB Asset Management Ltd</i></p>																																																
2.7	Asset allocation	<p>This table below shows the asset allocation of the Fund for the financial period as at 31 December:</p> <table border="1" data-bbox="483 453 1414 701"> <thead> <tr> <th>Assets</th> <th>As at 31 December 2021 (%)</th> <th>As at 31 Dec 2020 (%)</th> <th>Changes (%)</th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>91.47</td> <td>93.50</td> <td>-2.03</td> </tr> <tr> <td>Cash</td> <td>8.53</td> <td>6.50</td> <td>2.03</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td>--</td> </tr> </tbody> </table> <p>Reason for the differences in asset allocation</p> <p>As at 31 December 2021, the asset allocation of the Fund stood at 91.47% in foreign collective investment scheme and 8.53% in cash. The Fund's asset allocation is within its investment objective of investing a minimum of 90% of the Fund's NAV in the Target Fund.</p>	Assets	As at 31 December 2021 (%)	As at 31 Dec 2020 (%)	Changes (%)	Foreign collective investment scheme	91.47	93.50	-2.03	Cash	8.53	6.50	2.03	Total	100.00	100.00	--																																
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Total	100.00	100.00	--																																															
2.8	Income distribution/ Unit splits	<p>For the financial year under review, the Fund has declared the following income distribution:</p> <p><u>MYR hedged Class</u></p> <table border="1" data-bbox="483 1052 1414 1255"> <thead> <tr> <th>Distribution Date</th> <th>Gross/Net Distribution per unit (RM)</th> <th>Cum - NAV per unit (RM)</th> <th>Ex - NAV per unit (RM)</th> </tr> </thead> <tbody> <tr> <td>21-Sep-21</td> <td>0.0077</td> <td>0.8516</td> <td>0.8439</td> </tr> <tr> <td>21-Dec-21</td> <td>0.0079</td> <td>0.8446</td> <td>0.8367</td> </tr> <tr> <td>Total</td> <td>0.0156</td> <td>--</td> <td>--</td> </tr> </tbody> </table> <p><u>USD Class</u></p> <table border="1" data-bbox="483 1325 1414 1528"> <thead> <tr> <th>Distribution Date</th> <th>Gross/Net Distribution per unit (USD)</th> <th>Cum - NAV per unit (USD)</th> <th>Ex - NAV per unit (USD)</th> </tr> </thead> <tbody> <tr> <td>21-Sep-21</td> <td>0.0076</td> <td>0.8411</td> <td>0.8335</td> </tr> <tr> <td>21-Dec-21</td> <td>0.0078</td> <td>0.8305</td> <td>0.8227</td> </tr> <tr> <td>Total</td> <td>0.0154</td> <td>--</td> <td>--</td> </tr> </tbody> </table> <p><u>SGD hedged Class</u></p> <table border="1" data-bbox="483 1598 1414 1801"> <thead> <tr> <th>Distribution Date</th> <th>Gross/Net Distribution per unit (SGD)</th> <th>Cum - NAV per unit (SGD)</th> <th>Ex - NAV per unit (SGD)</th> </tr> </thead> <tbody> <tr> <td>21-Sep-21</td> <td>0.0066</td> <td>0.7238</td> <td>0.7172</td> </tr> <tr> <td>21-Dec-21</td> <td>0.0067</td> <td>0.7143</td> <td>0.7076</td> </tr> <tr> <td>Total</td> <td>0.0133</td> <td>--</td> <td>--</td> </tr> </tbody> </table>	Distribution Date	Gross/Net Distribution per unit (RM)	Cum - NAV per unit (RM)	Ex - NAV per unit (RM)	21-Sep-21	0.0077	0.8516	0.8439	21-Dec-21	0.0079	0.8446	0.8367	Total	0.0156	--	--	Distribution Date	Gross/Net Distribution per unit (USD)	Cum - NAV per unit (USD)	Ex - NAV per unit (USD)	21-Sep-21	0.0076	0.8411	0.8335	21-Dec-21	0.0078	0.8305	0.8227	Total	0.0154	--	--	Distribution Date	Gross/Net Distribution per unit (SGD)	Cum - NAV per unit (SGD)	Ex - NAV per unit (SGD)	21-Sep-21	0.0066	0.7238	0.7172	21-Dec-21	0.0067	0.7143	0.7076	Total	0.0133	--	--
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Total	0.0133	--	--																																															

2.8	Income distribution/ Unit splits (continued)	AUD hedged Class			
		Distribution Date	Gross/Net Distribution per unit (AUD)	Cum - NAV per unit (AUD)	Ex - NAV per unit (AUD)
		21-Sep-21	0.0055	0.6034	0.5979
		21-Dec-21	0.0056	0.5961	0.5905
		Total	0.0111	--	--
2.9	State of affairs	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the financial period under review.			
2.10	Rebates and soft commission	<p>It is our policy to pay all rebates to the Fund. Soft commissions received from brokers/dealers are retained by the Manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.</p> <p>The Manager will retain the soft commissions that are deemed to be beneficial to the unitholders of the Fund in the form of research and advisory services from any broker or dealer by virtue of transactions conducted for the fund that can assist in the decision making process in relation to the Fund such as technical analysis software, data and quotation services and computer software incidental to investment management of the Fund.</p> <p>During the financial period under review, the Manager had not received any soft commissions.</p>			
2.11	Market review	<p>For the six-month period ended 31 December 2021, global equities rose over 6.1% as measured by the MSCI ACWI Index. In the third quarter, global equities fell for the first time in six quarters. Markets contended with pandemic uncertainty and the prospect of reduced quantitative easing and policy tightening. In Asia, the spread of the Delta variant shuttered factories and snarled traffic at several ports, exacerbating supply-chain disruptions. Mounting inflation forced many emerging markets countries to raise interest rates. China's regulatory crackdown on private education businesses pummeled the shares of Chinese technology stocks. Global equities rebounded in the fourth quarter. However, volatility spiked as the Omicron COVID-19 variant proliferated across the globe. In response to inflation pressures, many central bank policymakers in developed markets began unwinding their stimulus measures. The Bank of England was the first major central bank to hike its policy rate, while the United States of America ("U.S.") Federal Reserve ("Fed") announced it would end its asset purchase program in March and projected three rate hikes in 2022.</p> <p><i>Source: UOB Asset Management Ltd</i></p>			
2.12	Market outlook	<p>Markets advanced during the month of December to close out a strong year for equities in 2021.</p> <p>While the Global Cycle Index remains at higher levels relative to a year ago, it is beginning to show a downward trend. The primary reasons for the negative trend are higher inflation and interest rates as well as tapering from central banks. The Sub-Manager continues to anticipate that the rate of global Gross Domestic Product ("GDP") growth is likely to slow as the Sub-Manager moves into the new year. In addition, the emergence of new COVID-19 variants (i.e., Omicron) may prevent or prolong economic re-openings in certain regions. The Sub-Manager continues to expect slowly rising inflation and the Sub-Manager also expect central banks to become less accommodative over time.</p>			

2.12	Market outlook (continued)	Given the macroeconomic backdrop, the Sub-Manager have shifted their factor weights to overweight quality and capital returns (at 30% each) and underweight growth and valuation upside (at 20% each). <i>Source: UOB Asset Management Ltd</i>
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Kuala Lumpur, Malaysia
UOB Asset Management (Malaysia) Berhad

28 February 2022

(B) TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF UNITED GLOBAL QUALITY EQUITY FUND

We have acted as Trustee for United Global Quality Equity Fund (“the Fund”) for the financial period ended 31 December 2021. To the best of our knowledge, for the financial period under review, UOB Asset Management (Malaysia) Berhad (“the Manager”) has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission’s Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

We are of the view that the distributions made during this financial period ended 31 December 2021 by the Manager is not inconsistent with the objective of the Fund.

For TMF Trustees Malaysia Berhad
(Company No: 610812-W)

Norhayati Binti Azit
Director - Fund Services

Kuala Lumpur, Malaysia
28 February 2022

UNITED GLOBAL QUALITY EQUITY FUND

(C) STATEMENT BY MANAGER

We, **Lim Suet Ling** and **Seow Lun Hoo**, being two of the directors of UOB Asset Management (Malaysia) Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 15 to 49 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of **United Global Quality Equity Fund** as at 31 December 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period then ended and comply with requirements of the Deed(s).

For and on behalf of the Manager,
UOB Asset Management (Malaysia) Berhad

LIM SUET LING
Executive Director/
Chief Executive Officer

SEOW LUN HOO
Director

Kuala Lumpur, Malaysia
28 February 2022

UNITED GLOBAL QUALITY EQUITY FUND

(D) FINANCIAL STATEMENTS

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31.12.2021 RM	30.06.2021 RM
ASSETS			
Investments	3	883,822,146	641,536,546
Amount due from Manager	5	2,359,129	57,321,294
Cash at bank		78,699,016	9,742,832
TOTAL ASSETS		<u>964,880,291</u>	<u>708,600,672</u>
LIABILITIES			
Forward foreign currency contracts	4	235,131	5,706,674
Amount due to Target Fund Manager		-	5,934,500
Amount due to Trustee	6	31,340	21,276
Accruals		36,146	29,493
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>302,617</u>	<u>11,691,943</u>
NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS		<u>964,577,674</u>	<u>696,908,729</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders’ capital	7	780,109,152	547,221,869
Retained earnings	7	184,468,522	149,686,860
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	7	<u>964,577,674</u>	<u>696,908,729</u>
TOTAL NAV AND LIABILITIES		<u>964,880,291</u>	<u>708,600,672</u>
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS			
- AUD HEDGED CLASS		38,985,836	29,049,005
- MYR HEDGED CLASS		793,054,873	557,842,398
- SGD HEDGED CLASS		45,495,701	36,012,186
- USD CLASS		87,041,264	74,005,140
		<u>964,577,674</u>	<u>696,908,729</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021**

		31.12.2021	30.06.2021
	Note	RM	RM
UNITS IN CIRCULATION			
- AUD HEDGED CLASS	7(a)	21,277,947	15,837,769
- MYR HEDGED CLASS	7(b)	922,723,734	676,878,694
- SGD HEDGED CLASS	7(c)	20,222,393	16,588,472
- USD CLASS	7(d)	24,705,602	21,834,503
NET ASSET VALUE PER UNIT IN MYR			
- AUD HEDGED CLASS		1.8322	1.8342
- MYR HEDGED CLASS		0.8595	0.8241
- SGD HEDGED CLASS		2.2498	2.1709
- USD CLASS		3.5231	3.3894
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- AUD HEDGED CLASS (AUD)		0.6053	0.5887
- MYR HEDGED CLASS (MYR)		0.8595	0.8241
- SGD HEDGED CLASS (SGD)		0.7284	0.7032
- USD CLASS (USD)		0.8461	0.8167

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIXTH MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	Note	01.07.2021 to 31.12.2021 RM	01.07.2020 to 31.12.2020 RM
INVESTMENT INCOME			
Income distribution from investment at fair value through profit or loss (“FVTPL”)		13,942,282	7,024,235
Interest income from deposits with licensed financial institutions		85,178	35,568
Net gain on investments at FVTPL	3		
- net realised gain on sale of investments at FVTPL		512,256	16,181,883
- net unrealised gain on changes in fair value	7(f)	41,513,956	23,016,488
Net realised (loss)/gain on foreign currency exchange		(609,359)	454,008
Net realised (loss)/gain on forward foreign currency contracts		(2,366,442)	26,130,438
Net unrealised gain/(loss) on foreign currency exchange	7(f)	26,234	(398)
Net unrealised gain/(loss) on forward foreign currency contracts	7(f)	5,471,543	(2,460,936)
		<u>58,575,648</u>	<u>70,381,286</u>
EXPENSES			
Manager’s fee	8	7,678,420	3,840,018
Trustee’s fee	9	170,632	85,334
Auditors’ remuneration		4,688	4,688
Tax agent’s fee		1,965	1,965
Other expenses		21,378	19,638
		<u>7,877,083</u>	<u>3,951,643</u>
NET INCOME BEFORE DISTRIBUTION AND TAXATION		50,698,565	66,429,643
Distribution to unitholders:			
- AUD HEDGED CLASS		662,382	-
- MYR HEDGED CLASS		12,999,959	6,470,663
- SGD HEDGED CLASS		763,884	314,950
- USD CLASS		1,490,678	662,136
	11	<u>15,916,903</u>	<u>7,447,749</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIXTH MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

		01.07.2021 to 31.12.2021	01.07.2020 to 31.12.2020
	Note	RM	RM
NET INCOME BEFORE TAXATION		34,781,662	58,981,894
Tax expense	10	<u>-</u>	<u>-</u>
NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>34,781,662</u>	<u>58,981,894</u>
Net income after taxation is made up of the following:			
Realised amount	7(e)	(12,230,071)	38,426,740
Unrealised amount	7(f)	<u>47,011,733</u>	<u>20,555,154</u>
		<u>34,781,662</u>	<u>58,981,894</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO UNITHOLDERS
FOR THE SIXTH MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2020	320,100,217	76,127,333	396,227,550
Movement in net asset value: Total comprehensive income for the financial period	-	58,981,894	58,981,894
Creation of units			
- AUD HEDGED CLASS	23,246,935	-	23,246,935
- MYR HEDGED CLASS	356,527,704	-	356,527,704
- SGD HEDGED CLASS	17,163,124	-	17,163,124
- USD CLASS	17,602,868	-	17,602,868
Reinvestment of units			
- MYR HEDGED CLASS	6,470,662	-	6,470,662
- SGD HEDGED CLASS	314,950	-	314,950
- USD CLASS	662,137	-	662,137
Cancellation of units			
- AUD HEDGED CLASS	(25,455,474)	-	(25,455,474)
- MYR HEDGED CLASS	(344,786,026)	-	(344,786,026)
- SGD HEDGED CLASS	(17,943,206)	-	(17,943,206)
- USD CLASS	(14,713,431)	-	(14,713,431)
Balance as at 31 December 2020	<u>339,190,460</u>	<u>135,109,227</u>	<u>474,299,687</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO UNITHOLDERS (CONTINUED)
FOR THE SIXTH MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2021		547,221,869	149,686,860	696,908,729
Movement in net asset value:				
Total comprehensive income for the financial period		-	34,781,662	34,781,662
Creation of units				
- AUD HEDGED CLASS	7(a)	35,371,797	-	35,371,797
- MYR HEDGED CLASS	7(b)	605,840,422	-	605,840,422
- SGD HEDGED CLASS	7(c)	36,911,178	-	36,911,178
- USD CLASS	7(d)	50,416,590	-	50,416,590
Reinvestment of units				
- AUD HEDGED CLASS	7(a)	662,382	-	662,382
- MYR HEDGED CLASS	7(b)	12,998,274	-	12,998,274
- SGD HEDGED CLASS	7(c)	763,884	-	763,884
- USD CLASS	7(d)	1,490,678	-	1,490,678
Cancellation of units				
- AUD HEDGED CLASS	7(a)	(26,165,353)	-	(26,165,353)
- MYR HEDGED CLASS	7(b)	(413,779,206)	-	(413,779,206)
- SGD HEDGED CLASS	7(c)	(29,813,675)	-	(29,813,675)
- USD CLASS	7(d)	(41,809,688)	-	(41,809,688)
Balance as at 31 December 2021		<u>780,109,152</u>	<u>184,468,522</u>	<u>964,577,674</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIXTH MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	01.07.2021 to 31.12.2021 RM	01.07.2020 to 31.12.2020 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	2,583,751	94,845,539
Purchase of investments	(208,777,640)	(140,528,880)
Income distribution from investment at fair value through profit or loss (“FVTPL”)	13,942,282	7,024,235
Interest received from deposits with licensed financial institutions	85,178	35,568
Manager’s fee paid	(7,225,546)	(3,676,458)
Trustee’s fee paid	(160,568)	(81,699)
Payment of other fees and expenses	(21,378)	(19,637)
Net realised (loss)/gain on foreign currency exchange	(609,359)	454,008
Net realised (loss)/gain on forward foreign currency contracts	(2,366,442)	26,130,438
Net cash used in operating and investing activities	<u>(202,549,722)</u>	<u>(15,816,886)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	782,582,288	422,752,567
Payment for cancellation of units	(511,074,697)	(400,051,785)
Distribution paid	(1,685)	-
Net cash generated from financing activities	<u>271,505,906</u>	<u>22,700,782</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	68,956,184	6,883,896
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	9,742,832	20,525,031
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>78,699,016</u>	<u>27,408,927</u>
Cash and cash equivalents comprise the following:		
Cash at banks	<u>78,699,016</u>	<u>27,408,927</u>

The accompanying notes form an integral part of the unaudited financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. INFORMATION ON THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The United Global Quality Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 6 June 2016 between UOB Asset Management (Malaysia) Berhad (“the Manager”) and TMF Trustees Malaysia Berhad (“the Trustee”).

The Fund seeks to provide investors with long term capital appreciation by investing in the United Global Quality Growth Fund which invests in equity and equity-related securities of companies listed and traded on stock exchanges globally. The Fund was launched on 26 September 2016 and commenced for operations on 17 October 2016. As provided in the Deed, the accrual period or financial year shall end on 30 June.

The Manager is a subsidiary of UOB Asset Management Limited, headquartered in Singapore.

The financial statements were authorised for issue by the Manager on 28 February 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia (“RM”).

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 July 2021 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial period beginning on or after 1 July 2022 are applicable to the financial statements of the Fund.

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

Standards issued and effective

The accounting policies adopted that could have material impact to the financial statements are consistent with those of the previous financial period.

2.3 Summary of significant accounting policies

(a) Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification

The Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or,
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together; or,
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss (“FVTPL”) on the basis of both the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. The Fund includes in this category amount due from Manager and bank balances.

(ii) Financial assets at FVTPL

A financial asset is measured at FVTPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or,
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category investment in collective investment scheme. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Financial liabilities

(i) Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund includes in this category derivatives liabilities.

(ii) Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVTPL. The Fund includes in this category amount due to Trustee.

Impairment of financial assets

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (“ECL”) under MFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Fund’s approach to ECL reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- (i) The contractual rights to receive cash flows from the financial asset have expired; or
- (ii) The Fund has transferred its contractual rights to receive cash flows from the financial asset or have assumed contractual obligation to pay the received cash flows in full without material delay to one or more third parties under a “pass through” arrangement; and either:
 - (a) the Fund has transferred substantially all the risks and rewards of ownership of the financial asset; or
 - (b) the Fund has neither transferred nor retained substantially all the risks and rewards, but has transferred control of the financial asset.

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Derecognition of financial assets and financial liabilities (continued)

On derecognition of financial assets at amortised cost, gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

A financial liability is derecognised when the obligation under the financial liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(b) Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments at FVTPL. Realised gains and losses on disposals of financial instruments at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Return on investments, distribution from foreign collective investment scheme, foreign exchange translation differences of cash at bank balances denominated in foreign currencies and accrued interest on deposits which have not matured as at the reporting date are classified as realised income in the financial statements.

(c) Derivative financial instruments

Derivatives are financial assets or liabilities at FVTPL categorised as held for trading unless they are designated hedges.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy on FVTPL.

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(d) Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (“the functional currency”). The financial statements are presented in RM, which is also the Fund’s functional currency.

(e) Foreign currency translation

Transactions in currencies other than the Fund’s functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in the profit or loss.

(f) Unitholders’ capital

The unitholders’ capital to the Fund are classified as liabilities under MFRS 132 *Financial Instruments: Presentation*.

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund’s NAV per unit at the time of creation or cancellation. The Fund’s NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(g) Distribution of income

Any distribution to the Fund’s unitholders is accounted for as a deduction in profit or loss and recognised in the statement of comprehensive income, as the unitholders’ capital are classified as financial liabilities as per Note 2.3(f). A proposed dividend is recognised as a liability in the period in which it is approved. Distributions are either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date which is also the time of creation.

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which have an insignificant risk of changes in value.

(i) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Interest income from deposits with a licensed financial institution is recognised using the effective interest method. Distribution income from investments is recognised when it has been declared with the right to receive the income established.

(j) Net asset value attributable to unitholders

Net asset value attributable to unitholders represents the redemption amount that would be payable if the unitholders exercised the right to redeem units of the Fund at the end of the reporting period.

(k) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

No deferred tax is recognised as there are no material temporary differences.

(l) Segment reporting

For internal management reporting purposes, all of the investments of the Fund are managed as one portfolio and reviewed as such by the Manager. The Manager is the decision maker for performance assessment purposes and makes decisions about resource allocation. Accordingly, the Fund does not have any operating segment information to be disclosed in the financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(m) Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. INVESTMENTS

	31.12.2021	30.06.2021
	RM	RM
Investments designated as FVTPL:		
- foreign collective investment scheme	883,822,146	641,536,546
	01.07.2021	01.07.2020
	to 31.12.2021	to 31.12.2020
	RM	RM
Net gain on investments at FVTPL comprised:		
- net realised gain on sale of investments at FVTPL	512,256	16,181,883
- net unrealised gain on changes in fair value	41,513,956	23,016,488
	<u>42,026,212</u>	<u>39,198,371</u>

UNITED GLOBAL QUALITY EQUITY FUND

3. INVESTMENTS (CONTINUED)

Investments designated as FVTPL as at 31 December 2021 are as follows:

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
United Global Quality Growth Fund - USD Distribution Class* ("Target Fund")	135,107,038	718,748,079	883,822,146	91.63
EXCESS OF FAIR VALUE OVER COST:				
- UNREALISED FAIR VALUE GAIN		171,736,076		
- UNREALISED FOREIGN EXCHANGE LOSS		<u>(6,662,009)</u>		
TOTAL INVESTMENTS AT FVTPL		<u>883,822,146</u>		

* Collective investment scheme related to the Manager.

4. FORWARD FOREIGN CURRENCY CONTRACTS

As at the reporting date, there are 18 (30.06.2021: 12) forward foreign currency contracts

The notional principal amount of the outstanding forward foreign currency contracts amounted to RM748,730,608 (30.06.2021: RM543,158,856).

The forward foreign currency contracts entered into were for hedging against the currency exposure arising from the investments denominated in USD.

As the Fund has not adopted hedge accounting, the changes in fair value of the forward foreign currency contracts are recognised immediately in the profit or loss.

UNITED GLOBAL QUALITY EQUITY FUND

5. AMOUNT DUE FROM MANAGER

	31.12.2021	30.06.2021
	RM	RM
Creation of units	6,925,873	60,943,101
Cancellation of units	(3,156,461)	(2,664,397)
Manager's fee payable	(1,410,283)	(957,410)
	<u>2,359,129</u>	<u>57,321,294</u>

The normal credit period for the Manager's fee payable is one month (30.06.2021: one month).

6. AMOUNT DUE TO TRUSTEE

	31.12.2021	30.06.2021
	RM	RM
Trustee's fee payable	<u>31,340</u>	<u>21,276</u>

Amount due to Trustee represents Trustee's fee payable.

The normal credit period for the Trustee's fee payable is one month (30.06.2021: one month).

7. NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS

Unitholders should note that the NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at a particular valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and the trustee fee for the relevant day.

The NAV per Unit of a Class of Units is the NAV of the Fund attributable to a Class of Units divided by the number of units in circulation for that particular Class of Units, at the same valuation point. The valuation of the Fund will be carried out in the base currency (RM). Accordingly, the assets denominated in SGD and USD will be translated to MYR for valuation purposes. The foreign exchange rate used for this purpose shall be the bid foreign exchange rate quoted by Reuters or other reputable information service providers at 4.00 p.m. United Kingdom time as at the valuation point of the Fund or such rate or method as may be prescribed under the relevant laws from time to time. The net gain/loss arising from forward foreign currency contracts used for hedging purpose is included in AUD Hedged, MYR Hedged and SGD Hedged Classes' NAV.

UNITED GLOBAL QUALITY EQUITY FUND

7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

Due to multiple Classes of Units in the Fund, the indirect fees and/or charges for the Fund are apportioned by using the multi-class ratio, which is based on the value of the Class of Units of the Fund (quoted in the base currency) relative to the value of the whole Fund (quoted in the base currency). As at 31 December 2021, the multi-class ratio used in apportionment for MYR Hedged Class is 82.22 (30.06.2021: 80.05), SGD Hedged Class is 4.72 (30.06.2021: 5.17), USD Class is 9.02 (30.06.2021: 10.62) and for AUD Class is 4.04 (30.06.2021: 4.17).

Net asset value attributable to unitholders is represented by:

	Note	31.12.2021 RM	30.06.2021 RM
Unitholders' capital			
- AUD HEDGED CLASS	(a)	32,331,310	22,462,484
- MYR HEDGED CLASS	(b)	645,129,227	440,069,737
- SGD HEDGED CLASS	(c)	35,394,410	27,533,023
- USD CLASS	(d)	67,254,205	57,156,625
		<u>780,109,152</u>	<u>547,221,869</u>
Retained earnings			
- Realised gain	(e)	19,630,197	31,860,268
- Unrealised gain	(f)	164,838,325	117,826,592
		<u>184,468,522</u>	<u>149,686,860</u>
Total NAV attributable to unitholders		<u>964,577,674</u>	<u>696,908,729</u>

(a) UNITHOLDERS' CAPITAL/UNITS IN CIRCULATION - AUD HEDGED CLASS

	Units	31.12.2021 RM	Units	30.06.2021 RM
At the beginning of the financial period/year	15,837,769	22,462,484	15,481,932	22,220,636
Creation of units during the financial period/year	18,976,580	35,371,797	28,255,729	50,430,800
Reinvestment of units during the financial period/year	370,553	662,382	811,588	624,297
Cancellation of units during the financial period/year	(13,906,955)	(26,165,353)	(28,711,480)	(50,813,249)
At the end of the financial period/year	<u>21,277,947</u>	<u>32,331,310</u>	<u>15,837,769</u>	<u>22,462,484</u>

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2021 (30.06.2021: Nil).

UNITED GLOBAL QUALITY EQUITY FUND

7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

(b) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - MYR HEDGED CLASS

	Units	31.12.2021 RM	Units	30.06.2021 RM
At the beginning of the financial period/year	676,878,694	440,069,737	460,201,396	263,842,824
Creation of units during the financial period/year	710,373,987	605,840,422	953,117,619	757,699,261
Reinvestment of units during the financial period/year	15,474,532	12,998,274	43,498,189	35,507,316
Cancellation of units during the financial period/year	<u>(480,003,479)</u>	<u>(413,779,206)</u>	<u>(779,938,510)</u>	<u>(616,979,664)</u>
At the end of the financial period/year	<u>922,723,734</u>	<u>645,129,227</u>	<u>676,878,694</u>	<u>440,069,737</u>

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2021 (30.06.2021: Nil).

(c) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - SGD HEDGED CLASS

	Units	31.12.2021 RM	Units	30.06.2021 RM
At the beginning of the financial period/year	16,588,472	27,533,023	9,575,183	12,102,510
Creation of units during the financial period/year	16,454,883	36,911,178	19,605,331	42,142,559
Reinvestment of units during the financial period/year	347,704	763,884	1,051,371	1,153,105
Cancellation of units during the financial period/year	<u>(13,168,666)</u>	<u>(29,813,675)</u>	<u>(13,643,413)</u>	<u>(27,865,151)</u>
At the end of the financial period/year	<u>20,222,393</u>	<u>35,394,410</u>	<u>16,588,472</u>	<u>27,533,023</u>

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2021 (30.06.2021: Nil).

UNITED GLOBAL QUALITY EQUITY FUND

7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

(d) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - USD CLASS

	Units	31.12.2021 RM	Units	30.06.2021 RM
At the beginning of the financial period/year	21,834,503	57,156,625	11,294,880	21,934,247
Creation of units during the financial period/year	14,241,597	50,416,590	17,264,270	59,444,647
Reinvestment of units during the financial period/year	429,219	1,490,678	1,393,064	2,106,333
Cancellation of units during the financial period/year	(11,799,717)	(41,809,688)	(8,117,711)	(26,328,602)
At the end of the financial period/year	<u>24,705,602</u>	<u>67,254,205</u>	<u>21,834,503</u>	<u>57,156,625</u>

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2021 (30.06.2021: Nil).

(e) RETAINED EARNINGS - REALISED

	31.12.2021 RM	30.06.2021 RM
At the beginning of the financial period/year	31,860,268	24,315,482
Total comprehensive income for the financial period/year	34,781,662	73,559,527
Net unrealised gain attributable to investments and others held transferred to unrealised reserve	(47,011,733)	(66,014,741)
Net (decrease)/increase in realised reserve for the financial period/year	(12,230,071)	7,544,786
At the end of the financial period/year	<u>19,630,197</u>	<u>31,860,268</u>

UNITED GLOBAL QUALITY EQUITY FUND

7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

(f) RETAINED EARNINGS - UNREALISED

	31.12.2021	30.06.2021
	RM	RM
At the beginning of the financial period/year	117,826,592	51,811,851
Net unrealised gain attributable to investments and others held transferred to unrealised reserve		
- Investments at FVTPL	41,513,956	76,203,820
- Forward foreign currency contracts	5,471,543	(10,160,724)
- Foreign currency exchange	26,234	(28,355)
	47,011,733	66,014,741
At the end of the financial period/year	164,838,325	117,826,592

8. MANAGER’S FEE

Schedule 8 of the Deed provides that the Manager shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 1.80% (01.07.2020-31.12.2020: 1.80%) per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 1.80% (01.07.2020-31.12.2020: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

There will be no further liability to the Manager in respect of Manager’s fee other than the amount recognised in the financial statements.

9. TRUSTEE’S FEE

Schedule 9 of the Deed provides that the Trustee shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 0.06% (01.07.2020-31.12.2020: 0.06%) per annum of the net asset value of the Fund, calculated on a daily basis; subject to a minimum fee of RM15,000 (01.07.2020-31.12.2020: RM15,000) per annum (excluding foreign custodian fee and charges).

The Trustee’s fee provided in the financial statements is 0.04% (01.07.2020-31.12.2020: 0.04%) based on the net asset value of the Fund, subject to a minimum fee of RM15,000 (01.07.2020-31.12.2020: RM15,000) per annum, calculated on a daily basis for the financial period.

There will be no further liability to the Trustee in respect of Trustee’s fee other than the amount recognised in the financial statements.

UNITED GLOBAL QUALITY EQUITY FUND

10. INCOME TAX EXPENSE

Income from deposit placements is exempted from tax in accordance with Schedule 6, Paragraph 35A of the Income Tax Act, 1967 (“ITA”), subject to certain exclusion. Distribution income derived from sources outside Malaysia and received in Malaysia is exempted from tax in accordance with Schedule 6, Paragraph 28 of the ITA. Pursuant to Section 61(1)(b) of the ITA, gains from realisation of investment will not be treated as income of the Fund and hence are not subject to income tax. In accordance with Sections 61 and 63B of the ITA, 1967, interest income and gain on sale of investment are exempted from tax.

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	01.07.2021 to 31.12.2021	01.07.2020 to 31.12.2020
	RM	RM
Net income before taxation	34,781,662	58,981,894
Taxation at Malaysian statutory rate of 24% (2020: 24%)	8,347,599	14,155,654
Tax effects of:		
Income not subject to tax	(14,772,348)	(17,482,229)
Loss not deductible for tax purposes	714,192	590,720
Restriction on tax deductible expenses for unit trust funds	1,843,946	922,729
Expenses not deductible for tax purposes	3,866,611	1,813,126
Tax expense for the financial period	-	-

11. DISTRIBUTIONS

Distribution to unitholders is from the following sources:

	01.07.2021 to 31.12.2021	01.07.2020 to 31.12.2020
	RM	RM
Previous financial year’s realised income	23,793,986	11,399,392
Less:		
Expenses	(7,877,083)	(3,951,643)
Net distributable amount	15,916,903	7,447,749

UNITED GLOBAL QUALITY EQUITY FUND

11. DISTRIBUTIONS (CONTINUED)

Details of distributions to unitholders during the financial period ended 31 December 2021 are as follows:

Distributions Ex-date	Reinvestment settlement date	Distributions per unit AUD	Total distributions AUD	Total distributions RM
<u>AUD HEDGED CLASS</u>				
21 September 2021	22 September 2021	0.0055	101,603	306,983
21 December 2021	22 December 2021	0.0056	118,466	355,399
		<u>0.0111</u>	<u>220,069</u>	<u>662,382</u>

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM
<u>MYR HEDGED CLASS</u>			
21 September 2021	22 September 2021	0.0077	5,947,143
21 December 2021	22 December 2021	0.0079	7,052,816
		<u>0.0156</u>	<u>12,999,959</u>

Distributions Ex-date	Reinvestment settlement date	Distributions per unit SGD	Total distributions SGD	Total distributions RM
<u>SGD HEDGED CLASS</u>				
21 September 2021	22 September 2021	0.0066	114,564	354,163
21 December 2021	22 December 2021	0.0067	133,005	409,721
		<u>0.0133</u>	<u>247,569</u>	<u>763,884</u>

Distributions Ex-date	Reinvestment settlement date	Distributions per unit USD	Total distributions USD	Total distributions RM
<u>USD CLASS</u>				
21 September 2021	22 September 2021	0.0076	167,396	700,215
21 December 2021	22 December 2021	0.0078	187,892	790,463
		<u>0.0154</u>	<u>355,288</u>	<u>1,490,678</u>

UNITED GLOBAL QUALITY EQUITY FUND

11. DISTRIBUTIONS (CONTINUED)

Details of distributions to unitholders during the financial period ended 31 December 2020 are as follows:

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM
<u>MYR HEDGED CLASS</u>			
23 September 2020	24 September 2020	0.0068	3,118,919
22 December 2020	23 December 2020	0.0070	3,351,744
		<u>0.0138</u>	<u>6,470,663</u>

Distributions Ex-date	Reinvestment settlement date	Distributions per unit SGD	Total distributions SGD	Total distributions RM
<u>SGD HEDGED CLASS</u>				
23 September 2020	24 September 2020	0.0058	49,855	151,017
22 December 2020	23 December 2020	0.0060	53,986	163,933
		<u>0.0118</u>	<u>103,841</u>	<u>314,950</u>

Distributions Ex-date	Reinvestment settlement date	Distributions per unit USD	Total distributions USD	Total distributions RM
<u>USD CLASS</u>				
23 September 2020	24 September 2020	0.0068	75,651	314,102
22 December 2020	23 December 2020	0.0070	85,744	348,034
		<u>0.0138</u>	<u>161,395</u>	<u>662,136</u>

UNITED GLOBAL QUALITY EQUITY FUND

12. TRANSACTIONS WITH INVESTMENT MANAGER OF THE TARGET FUND

Details of transactions with Investment Manager of the Target Fund for the financial period ended 31 December 2021 are as follows:

Investment Manager of the Target Fund	Value of trade RM	Percentage of total trade %
UOB Asset Management Ltd, Singapore*	205,426,891	100.00

*A company related to the Manager.

13. MANAGEMENT EXPENSE RATIO (“MER”)

	01.07.2021 to 31.12.2021 %	01.07.2020 to 31.12.2020 %
Manager’s fee	0.91	0.91
Trustee’s fee	0.02	0.02
Other expenses	-*	-*
Total MER	0.93	0.93

* Represents less than 0.01%

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.07.2021 to 31.12.2021	01.07.2020 to 31.12.2020
PTR (times)	0.12	0.26

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis.

UNITED GLOBAL QUALITY EQUITY FUND

15. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis based on their respective classification. The significant accounting policies in Note 2.3 describe how the classes of financial instruments are measured, and how income and expenses are

- (i) the Fund's investments, comprising foreign collective investment scheme, are classified as financial assets at FVTPL which are measured at fair value;
- (ii) the Fund's other financial assets, comprising amount due from Manager and cash at bank, are classified as financial assets which are measured at amortised cost;
- (iii) the Fund's financial liabilities (excluding NAV attributable to unitholders), comprising amount due to Trustee, are classified as other financial liabilities which is measured at amortised cost;
- (iv) the Fund's forward foreign currency contracts are derivatives which are measured at FVTPL; and
- (v) the Fund's NAV attributable to unitholders are carried in the financial statements based on the residual value of the net assets of the Fund.

UNITED GLOBAL QUALITY EQUITY FUND

15. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Derivatives at FVTPL RM	Total RM
31.12.2021					
Financial assets					
Investments	883,822,146	-	-	-	883,822,146
Amount due from Manager	-	2,359,129	-	-	2,359,129
Cash at bank	-	78,699,016	-	-	78,699,016
Total financial assets	883,822,146	81,058,145	-	-	964,880,291
Financial liabilities					
Forward foreign currency contracts	-	-	-	235,131	235,131
Amount due to Trustee	-	-	31,340	-	31,340
Total financial liabilities	-	-	31,340	235,131	266,471
30.06.2021					
Financial assets					
Investments	641,536,546	-	-	-	641,536,546
Amount due from Manager	-	57,321,294	-	-	57,321,294
Cash at bank	-	9,742,832	-	-	9,742,832
Total financial assets	641,536,546	67,064,126	-	-	708,600,672
Financial liabilities					
Forward foreign currency contracts	-	-	-	5,706,674	5,706,674
Amount due to Manager	-	-	5,934,500	-	5,934,500
Amount due to Trustee	-	-	21,276	-	21,276
Total financial liabilities	-	-	5,955,776	5,706,674	11,662,450

UNITED GLOBAL QUALITY EQUITY FUND

15. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial instruments that are carried at fair value

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2021				
Financial instruments				
Foreign collective investment scheme	-	883,822,146	-	883,822,146
Forward foreign currency contracts	-	(235,131)	-	(235,131)
Total financial instruments	-	883,587,015	-	883,587,015
30.06.2021				
Financial instruments				
Foreign collective investment scheme	-	641,536,546	-	641,536,546
Forward foreign currency contracts	-	(5,706,674)	-	(5,706,674)
Total financial instruments	-	635,829,872	-	635,829,872

UNITED GLOBAL QUALITY EQUITY FUND

15. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Amount due from Manager
- Cash at bank
- Amount due to Manager
- Amount due to Target Fund Manager
- Amount due to Trustee
- NAV attributable to unitholders

There were no financial instruments which are not carried at fair values and whose carrying amounts are not reasonable approximation of their respective fair values.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk, manager risk, inflation risk, non-compliance risk, credit risk, passive strategy risk, currency risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. 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.

(a) Market risk

Market risk refers to potential losses that may arise from changes in the market conditions which in turn affect the market prices of the investments of the Fund. Market conditions are generally affected by, amongst others, social environment, political and economic stability.

The Fund's overall exposure to market risk was as follows:

	31.12.2021	30.06.2021
	RM	RM
Investments at FVTPL	<u>883,822,146</u>	<u>641,536,546</u>

UNITED GLOBAL QUALITY EQUITY FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

The table below summarises the sensitivity of the Fund's net asset value and net income after taxation to movements in prices of investments. The analysis is based on the assumption that the price of the investments fluctuates by 5% with all other variables held constant.

	Change in price of investments %	Market value RM	Impact on net income after taxation and net asset value RM
31.12.2021			
	-5	839,631,039	(44,191,107)
	0	883,822,146	-
	5	928,013,253	44,191,107
		<hr/>	<hr/>
30.06.2021			
	-5	609,459,719	(32,076,827)
	0	641,536,546	-
	5	673,613,373	32,076,827
		<hr/>	<hr/>

(b) Manager risk

The performance of the Fund depends on, amongst other things, the expertise of the Manager. A failure on the part of the Manager to display the requisite experience and expertise expected of them in making investment decisions for the Fund may jeopardise the Fund's performance and returns.

(c) Inflation risk

Inflation risk is a risk of an investor's investment not growing at a rate that keeps pace with the inflation rate, thereby decreasing the investor's purchasing power even though the investment in monetary terms may have increased.

UNITED GLOBAL QUALITY EQUITY FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Non-compliance risk

Non-adherence with laws, rules, regulations, prescribed practices, internal policies and procedures may result in tarnished reputation, limited business opportunities and reduced expansion potential for the Manager. Investment goals may also be affected should the Manager not adhere to the investment mandate (such as the Fund's investment objective and investment policy and strategy). The non-adherence may be the outcome from human error (for instance the oversight of the Manager) or system failure (causing unnecessary downtime). The magnitude of such risk and its impact on the Fund and/or unitholders are dependent on the nature and severity of the non-compliance. In order to mitigate this risk, the Manager has stringent internal controls and ensures that compliance monitoring processes are undertaken.

(e) Credit risk

Credit concentration risk is associated with the number of underlying investments or financial institutions which a Fund invests in or places deposits with. For example a Fund which invests its assets in a single underlying instrument or places deposits with a single institution is more risky compared to a Fund with two or more underlying investments or institutions. This is because if the single issuer/financial institution default, it would have a significant impact to that Fund.

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The following table sets out maximum exposure to credit risk and the credit risk concentrations of the Fund.

	Cash at banks RM	Derivatives assets/ (liabilities) at FVTPL RM	Total RM	As a percentage of net asset value %
31.12.2021				
Financial institutions:				
- AA1	78,699,016	-	78,699,016	8.16
- AA3	-	484,099	484,099	0.05
- AAA	-	(719,230)	(719,230)	(0.07)
	78,699,016	(235,131)	78,463,885	8.13
30.06.2021				
Financial institutions:				
- AA1	9,742,832	-	9,742,832	1.40
- AA3	-	(2,321,823)	(2,121,823)	(0.33)
- AAA	-	(3,384,851)	(3,384,851)	(0.49)
	9,742,832	(5,706,674)	4,236,158	0.58

The financial assets of the Fund are neither past due nor impaired.

UNITED GLOBAL QUALITY EQUITY FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Passive strategy risk

The Fund adopts a passive strategy of investing a minimum of 90% of its NAV into the Target Fund at all times. This passive strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's net asset value declines. All investment decisions on the Target Fund are left with the Target Fund's Investment Manager.

(g) Currency risk

This risk is associated with investments denominated in currencies different from the base currency. As the Fund is denominated in RM, investments in other currencies other than RM will cause the Fund to be exposed to currency risks. Fluctuations in the exchange rates of other currencies against the RM may affect the NAV of the Fund and consequently the NAV per unit of the Fund.

For the MYR hedged Class

The Fund will be investing in the Class USD distribution of the Target Fund which is denominated in USD, however, investors in the MYR hedged Class will be subject to a lower currency risk at the Fund level as the Manager will mitigate this risk by hedging the foreign currency exposure. Investors should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when USD moves favourably against the RM. Additional transaction costs of hedging will also be borne by investors in the MYR hedged Class.

For the SGD hedged Class

The Fund will be investing in the Class USD distribution of the Target Fund which is denominated in USD, however, investors in the SGD hedged Class will be subject to a lower currency risk at the Fund level as the Manager will mitigate this risk by hedging the foreign currency exposure. Investors should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when USD moves favourably against the SGD. Additional transaction costs of hedging will also be borne by investors in the SGD hedged Class.

For the USD Class

As the Fund is investing in the Class USD distribution of the Target Fund which is denominated in USD, hence unitholders in this USD Class will be exposed to currency risk against the base currency of the Fund, changes in the exchange rate between the base currency of the Fund and the currency of denomination of the USD Class may adversely affect the value of the units of the USD Class.

UNITED GLOBAL QUALITY EQUITY FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Currency risk (continued)

The following table sets out the foreign currency risk concentrations of the Fund.

	31.12.2021	30.06.2021
	RM	RM
AUD		
Amount (due to)/from Manager	(147,698)	3,421,650
Cash at a bank	4,866,899	821,028
Forward foreign currency contracts	(413,960)	(1,074,310)
	<u>4,305,241</u>	<u>3,168,368</u>
SGD		
Amount due from Manager	29,988	1,883,776
Cash at a bank	3,117,410	1,211,986
Forward foreign currency contracts	(92,978)	(516,770)
	<u>3,054,420</u>	<u>2,578,992</u>
USD		
Investments at FVTPL	883,822,146	641,536,546
Amount due to Target Fund Manager	-	(5,934,500)
Amount due from Manager	350,829	3,030,467
Cash at bank	4,798,500	5,963,459
	<u>888,971,475</u>	<u>644,595,972</u>

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remaining constant. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

	Change in foreign exchange rate %	Impact on net income after taxation and net asset value RM
31.12.2021		
AUD	+5	215,262
	-5	(215,262)
		<u> </u>
SGD	+5	152,721
	-5	(152,721)
		<u> </u>
USD	+5	44,448,574
	-5	(44,448,574)
		<u> </u>

UNITED GLOBAL QUALITY EQUITY FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Currency risk (continued)

	Change in foreign exchange rate %	Impact on net income after taxation and net asset value RM
30.06.2021		
AUD	+5	158,418
	-5	(158,418)
SGD	+5	128,950
	-5	(128,950)
USD	+5	32,229,799
	-5	(32,229,799)

(h) Liquidity risk

In the event of unexpectedly large realisations of units, there may be a possibility that the assets of the Target Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Investment Manager of the Target Fund will ensure that a sufficient portion of the Target Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.

Investments by the Target Fund may be listed in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and lack of liquidity which are inherent characteristics of these markets.

The natures of undiscounted contractual cash flows for financial assets of the Fund are:

- (i) The investments have no maturity period; and
- (ii) Other financial assets and financial liabilities will contractually mature less than one year from the reporting date at amounts not significantly different from that presented on the statement of financial position.

UNITED GLOBAL QUALITY EQUITY FUND

17. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's units in issue at the end of the financial period are disclosed in Notes 7(a) to 7(d).

No changes were made to the Fund's objectives, policies or processes during the current period and previous financial years.

18. RECLASSIFICATION OF COMPARATIVES

Unitholders' capital to the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation*. In the previous financial period, unitholders' contribution were classified as equity.

This reclassification of unitholders' capital (and their retained earnings) did not give rise to any impact on the Net Asset Value Attributable to Unitholders of the Fund.

No restatements were made to the comparative financial statements except for the following:

	As previously disclosed RM	Reclassi- -fication RM	As restated RM
Statement of Comprehensive Income for the financial period ended 31 December 2020:			
Net income before distribution and taxation	66,429,643	-	66,429,643
Distribution to unitholders	-	(7,447,749)	(7,447,749)
Net income before taxation	66,429,643	(7,447,749)	58,981,894
Net income after taxation, representing total comprehensive income for the financial period	66,429,643	(7,447,749)	58,981,894
Statement of Changes in Net Assets Attributable To Unitholders for the financial period ended 31 December 2020:			
Movement in net asset value:			
Total comprehensive income for the financial period	66,429,643	(7,447,749)	58,981,894
Distributions	(7,447,749)	7,447,749	-

(E) CORPORATE INFORMATION

Manager	UOB Asset Management (Malaysia) Berhad 199101009166 (219478-X) Level 22, Vista Tower The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2732 1181 Fax: 03-2164 8188 Website: www.uobam.com.my
Board of Directors	Mr Wong Kim Choong Mr Thio Boon Kiat (alternate to Mr Wong Kim Choong) Mr Seow Lun Hoo Mr Seow Voon Ping (alternate to Mr Seow Lun Hoo) Mr Wong Yoke Leong Mr Lim Kheng Swee En Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
Trustee	TMF Trustees Malaysia Berhad 200301008392 (610812-W)
Auditor of the Fund	Ernst & Young
Tax Adviser of the Fund	Deloitte Tax Services Sdn Bhd
Investment Manager of the Target Fund	UOB Asset Management Ltd
Sub-Manager of the Target Fund	Wellington Management Singapore Pte. Ltd

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