

United Income Plus Fund

**Interim Report
31 January 2022**

UNITED INCOME PLUS FUND

Unaudited Interim Report and Financial Statements For the Financial Period Ended 31 January 2022

TABLE OF CONTENTS	PAGE NO
(A) MANAGER'S REPORT	2
(B) TRUSTEE'S REPORT	15
(C) STATEMENT BY MANAGER	16
(D) FINANCIAL STATEMENTS	
UNAUDITED STATEMENT OF FINANCIAL POSITION	17
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	19
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	21
UNAUDITED STATEMENT OF CASH FLOWS	23
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS	24
(E) CORPORATE INFORMATION	56

(A) MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of United Income Plus Fund (the "Fund") for the financial period from 1 August 2021 to 31 January 2022.

(1) Key Data of the Fund

1.1	Fund name	United Income Plus Fund (the "Fund")																					
1.2	Fund category	Fixed Income																					
1.3	Fund type	Income & Growth																					
1.4	Investment objective	The Fund seeks to provide investors with income and capital appreciation over the medium to long term by investing primarily in fixed income securities with the remaining investing in equities and equity-related securities.																					
1.5	Performance benchmark	<p>With effect from 13 August 2015, the performance benchmark of the Fund has been changed as follows:</p> <ul style="list-style-type: none">• 70% 12 month fixed deposit rate by Malayan Banking Berhad; (available at www.maybank2u.com.my)• 30% FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") (available at www.bursamalaysia.com) <p>Prior to that, the performance benchmark of the Fund was:</p> <ul style="list-style-type: none">• 35% Quantshop All MGS Index; (available at www.quantshop.com)• 35% JP Morgan Asia Credit Investment Grade Index; (available at www.jpmorgan.com)• 15% FBM KLCI; and (available at www.bursamalaysia.com)• 15% MSCI AC Asia Pacific ex Japan. (available at www.msci.com)																					
1.6	Duration	The Fund was launched on 9 February 2015 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.																					
1.7	Distribution policy	Subject to the availability of income, distribution will be paid on a quarterly basis. Distribution declared will be automatically reinvested into the Unit Holders' accounts in the form of additional Units in the Fund at no cost.																					
1.8	Breakdown of unit holdings by size	<p>Breakdown of unit holdings by size as at 31 January 2022 are as follows:</p> <p><u>MYR Class</u></p> <table border="1"><thead><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>1,218.77</td></tr><tr><td>• 5,001 to 10,000</td><td>3</td><td>24,375.24</td></tr><tr><td>• 10,001 to 50,000</td><td>5</td><td>114,214.88</td></tr><tr><td>• 50,001 to 500,000</td><td>6</td><td>1,193,376.11</td></tr><tr><td>• 500,001 and above</td><td>8</td><td>128,548,080.87</td></tr><tr><td>Total</td><td>23</td><td>129,881,265.87</td></tr></tbody></table>	Size of holding	No. of unit holders	No. of units held	• 5,000 and below	1	1,218.77	• 5,001 to 10,000	3	24,375.24	• 10,001 to 50,000	5	114,214.88	• 50,001 to 500,000	6	1,193,376.11	• 500,001 and above	8	128,548,080.87	Total	23	129,881,265.87
Size of holding	No. of unit holders	No. of units held																					
• 5,000 and below	1	1,218.77																					
• 5,001 to 10,000	3	24,375.24																					
• 10,001 to 50,000	5	114,214.88																					
• 50,001 to 500,000	6	1,193,376.11																					
• 500,001 and above	8	128,548,080.87																					
Total	23	129,881,265.87																					

1.8	Breakdown of unit holdings by size (continued)	<u>USD hedged Class</u>		
		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	2	285,399.59
		• 500,001 and above	0	0.00
		Total	2	285,399.59
		<u>SGD hedged Class</u>		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	1	2,000.00
		• 5,001 to 10,000	0	0.00
		• 10,001 to 50,000	0	0.00
		• 50,001 to 500,000	1	197,420.90
		• 500,001 and above	1	627,878.90
		Total	3	827,299.80
		<u>AUD hedged Class</u>		
		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	1	35,998.70		
• 50,001 to 500,000	1	161,191.35		
• 500,001 and above	0	0.00		
Total	2	197,190.05		
<u>RMB hedged Class</u>				
Size of holding	No. of unit holders	No. of units held		
• 5,000 and below	1	2,000.00		
• 5,001 to 10,000	0	0.00		
• 10,001 to 50,000	0	0.00		
• 50,001 to 500,000	0	0.00		
• 500,001 and above	0	0.00		
Total	1	2,000.00		

(2) Performance Data of the Fund

2.1	Portfolio composition	Details of portfolio composition of the Fund for the financial years as at 31 January are as follows:			
		Sectors, category of investments & cash holdings	As at 31 Jan 2022 (%)	As at 31 Jan 2021 (%)	As at 31 Jan 2020 (%)
		Consumer Products	2.87	5.36	4.98

2.1	Portfolio composition (continued)	CIS	10.26	13.14	9.23
		Finance	13.71	32.77	28.55
		Industrial Products	4.07	--	--
		Technology	--	6.41	2.61
		Trading/ Services	12.77	11.39	12.56
		Telecommunication Services	4.16	8.35	6.76
		Infrastructure	4.21	8.27	7.40
		Health Care	--	--	2.17
		Construction	1.36	1.32	--
		Properties	6.80	2.59	1.49
		Materials	0.75	1.54	--
		Energy	4.74	3.87	--
		Utilities	--	--	1.91
		Cash	34.29	4.99	22.34
Total	100.00	100.00	100.00		
2.2	Performance details	Performance details of the Fund for the financial years as at 31 January are as follows:			
			As at 31 Jan 2022	As at 31 Jan 2021	As at 31 Jan 2020
		Net Asset Value (“NAV”) (RM)			
		- MYR Class	70,955,641	77,755,661	43,323,234
		- USD hedged Class	586,126	--	--
		- SGD hedged Class	1,253,967	--	--
		- AUD hedged Class	287,443	--	--
		- RMB hedged Class	641	--	--
		NAV per unit (RM)			
		- MYR Class	0.5463	0.5670	0.5482
		- USD hedged Class	2.0537	--	--
		- SGD hedged Class	1.5157	--	--
		- AUD hedged Class	1.4577	--	--
		- RMB hedged Class	0.3207	--	--
		NAV per unit in respective currencies			
		- MYR Class (MYR)	0.5463	0.5670	0.5482
		- USD hedged Class (USD)	0.4908	--	--
		- SGD hedged Class (SGD)	0.4900	--	--
		- AUD hedged Class (AUD)	0.4943	--	--
		- RMB hedged Class (RMB)	0.4888	--	--
		Units in circulation			
		- MYR Class	129,881,266	137,142,003	79,034,459
		- USD hedged Class	285,400	--	--
		- SGD hedged Class	827,300	--	--
		- AUD hedged Class	197,190	--	--
		- RMB hedged Class	2,000	--	--
		Highest NAV per unit in respective currencies			
- MYR Class (MYR)	0.5687	0.5801	0.5522		
- USD hedged Class (USD)	0.5014	--	--		
- SGD hedged Class (SGD)	0.5015	--	--		
- AUD hedged Class (AUD)	0.5032	--	--		
- RMB hedged Class (RMB)	0.5022	--	--		

2.2	Performance details (continued)	Lowest NAV per unit in respective currencies			
		- MYR Class (MYR)	0.5430	0.5556	0.5437
		- USD hedged Class (USD)	0.4876	--	--
		- SGD hedged Class (SGD)	0.4873	--	--
		- AUD hedged Class (AUD)	0.4893	--	--
		- RMB hedged Class (RMB)	0.4823	--	--
		Total return (%)			
		- MYR Class	-1.83	2.23	1.23
		- USD hedged Class	--	--	--
		- SGD hedged Class	--	--	--
		- AUD hedged Class	--	--	--
		- RMB hedged Class	--	--	--
		Capital growth (%)			
		- MYR Class	-1.83	1.16	-0.29
		- USD hedged Class	--	--	--
		- SGD hedged Class	--	--	--
		- AUD hedged Class	--	--	--
		- RMB hedged Class	--	--	--
		Income distribution (%)			
		- MYR Class	--	1.07	1.52
		- USD hedged Class	--	--	--
		- SGD hedged Class	--	--	--
- AUD hedged Class	--	--	--		
- RMB hedged Class	--	--	--		
Gross distribution (sen per unit) in respective currencies					
- MYR Class (MYR)	0.60 [#]	0.60	0.83		
- USD hedged Class (USD)	--	--	--		
- SGD hedged Class (SGD)	--	--	--		
- AUD hedged Class (AUD)	--	--	--		
- RMB hedged Class (RMB)	--	--	--		
Net distribution (sen per unit) in respective currencies					
- MYR Class (MYR)	0.60 [#]	0.60	0.83		
- USD hedged Class (USD)	--	--	--		
- SGD hedged Class (SGD)	--	--	--		
- AUD hedged Class (AUD)	--	--	--		
- RMB hedged Class (RMB)	--	--	--		
Management expense ratio ("MER") (%)	0.73 ¹	0.71	0.73		
Portfolio turnover ratio ("PTR") (times)	0.30 ²	0.72	0.38		
Notes:					
[#] Date of distribution is shown in part 2.7 - Income distribution / Unit splits.					
¹ MER is higher against previous financial period mainly due to decrease in average fund size.					
² PTR is lower against previous financial period mainly due to decrease in trading activities.					

2.2	Performance details (continued)	Average total return	
			As at 31 January 2022 (%) (Annualised)
		Since commencement (2 March 2015)	
		- MYR Class	5.66
		Since commencement (25 October 2021)	
		- USD hedged Class	-6.62
		- SGD hedged Class	-7.18
		- AUD hedged Class	-4.14
		- RMB hedged Class	-8.01
		1 year	-0.59
		3 year	5.95
		5 year	4.44
		Annual total return	
		Financial year ended 31 July	The Fund (%)
		2021	
		- MYR Class	3.53
		2020	
		- MYR Class	5.76
		2019	
		- MYR Class	10.17
2018			
- MYR Class	0.28		
2017			
- MYR Class	2.89		
2016			
- MYR Class	10.49		
Since commencement (2 March 2015) - 31 July 2015			
- MYR	8.48		
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.			
2.3	Has the Fund achieved its investment objective?	The Fund achieved its investment objective of providing investors with income and capital appreciation. Since commencement, the Fund MYR Class has registered a return of 46.44%. The Fund declared an income distribution of RM0.0060 per unit for the financial period under review.	
2.4	Performance review	<p><u>MYR Class</u></p> <p>For the financial period under review, the Class registered a return of -1.83%, underperforming the benchmark return of 1.93%. The underperformance was due to rising bond yields amid expectation of faster rate liftoff from the United States of America ("U.S.") Federal Reserve ("Fed") and volatility in the global stock markets.</p> <p>For the period under review, the net asset value ("NAV") per unit of the Class decreased by 2.90% from RM 0.5626 to RM 0.5463.</p>	

2.4 Performance review (continued)

The line chart below shows comparison between the performance of the Class and its benchmark from the commencement date of the Class to 31 January 2022.



Source: UOBAM(M) as at 31 January 2022.

	1-month	3-month	6-month	12-month	Since commencement
The Fund	-0.68%	-0.99%	-1.83%	-0.59%	46.44%
Benchmark*	-0.11%	0.23%	1.93%	1.20%	14.76%

Source: UOBAM(M), Lipper and Bloomberg as at 31 January 2022.

* The benchmark of the Fund is 70% 12 month fixed deposit rate by Malayan Banking Berhad and 30% FBM KLCI with effect from 13 August 2015.

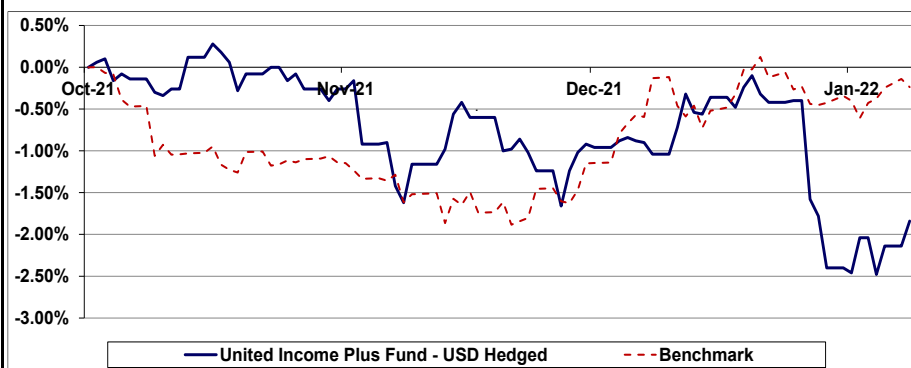
* Prior to that, the benchmark of the Fund was 35% Quantshop All MGS Index; 35% JP Morgan Asia Credit Investment Grade Index; 15% FBM KLCI and 15% MSCI AC Asia Pacific ex Japan.

USD hedged Class

Since commencement, the Class registered a return of -1.84%, underperforming the benchmark return of -0.24%. The underperformance was due to rising bond yields amid expectation of faster rate liftoff from the U.S. Fed and volatility in the global stock markets.

Since commencement, the net asset value ("NAV") per unit of the Class decreased by 1.84% from USD 0.5000 to USD 0.4908.

The line chart below shows comparison between the performance of the Class and its benchmark from the commencement date of the Class to 31 January 2022.



Source: UOBAM(M) as at 31 January 2022.

	1-month	3-month	6-month	12-month	Since commencement
The Fund	-0.81%	-1.70%	N/A	N/A	-1.84%
Benchmark*	-0.11%	0.23%	N/A	N/A	-0.24%

Source: UOBAM(M), Lipper and Bloomberg as at 31 January 2022.

* The benchmark of the Fund is 70% 12 month fixed deposit rate by Malayan Banking Berhad and 30% FBM KLCI with effect from 13 August 2015.

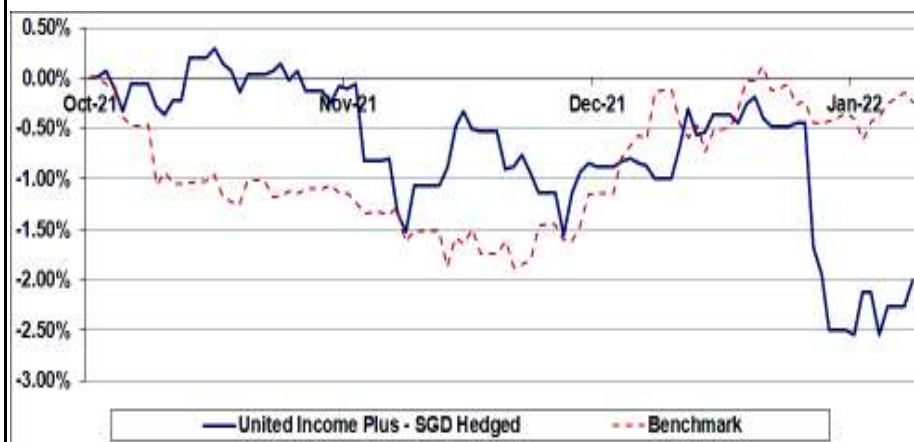
* Prior to that, the benchmark of the Fund was 35% Quantshop All MGS Index; 35% JP Morgan Asia Credit Investment Grade Index; 15% FBM KLCI and 15% MSCI AC Asia Pacific ex Japan.

SGD hedged Class

Since commencement, the Class registered a return of -2.00%, underperforming the benchmark return of -0.24%. The underperformance was due to rising bond yields amid expectation of faster rate liftoff from the U.S. Fed and volatility in the global stock markets.

Since commencement, the net asset value ("NAV") per unit of the Class decreased by 2.00% from SGD 0.5000 to SGD 0.4900.

The line chart below shows comparison between the performance of the Class and its benchmark from the commencement date of the Class to 31 January 2022.



Source: UOBAM(M) as at 31 January 2022.

	1-month	3-month	6-month	12-month	Since commencement
The Fund	-1.01%	-1.94%	N/A	N/A	-2.00%
Benchmark*	-0.11%	0.23%	N/A	N/A	-0.24%

Source: UOBAM(M), Lipper and Bloomberg as at 31 January 2022.

* The benchmark of the Fund is 70% 12 month fixed deposit rate by Malayan Banking Berhad and 30% FBM KLCI with effect from 13 August 2015.

* Prior to that, the benchmark of the Fund was 35% Quantshop All MGS Index; 35% JP Morgan Asia Credit Investment Grade Index; 15% FBM KLCI and 15% MSCI AC Asia Pacific ex Japan.

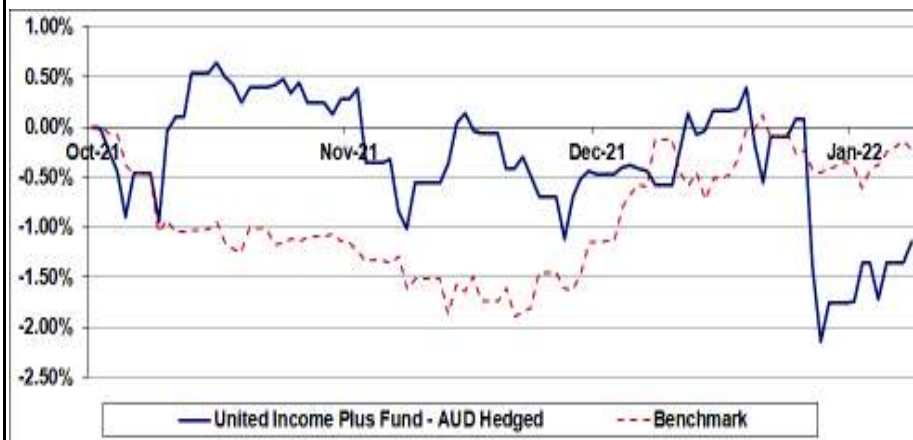
2.4 Performance review (continued)

AUD hedged Class

Since commencement, the Class registered a return of -1.14%, underperforming the benchmark return of -0.24%. The underperformance was due to rising bond yields amid expectation of faster rate liftoff from the U.S. Fed and volatility in the global stock markets.

Since commencement, the net asset value ("NAV") per unit of the Class decreased by 1.14% from AUD 0.5000 to AUD 0.4943.

The line chart below shows comparison between the performance of the Class and its benchmark from the commencement date of the Class to 31 January 2022.



Source: UOBAM(M) as at 31 January 2022.

	1-month	3-month	6-month	12-month	Since commencement
The Fund	-0.56%	-0.68%	N/A	N/A	-1.14%
Benchmark*	-0.11%	0.23%	N/A	N/A	-0.24%

Source: UOBAM(M), Lipper and Bloomberg as at 31 January 2022.

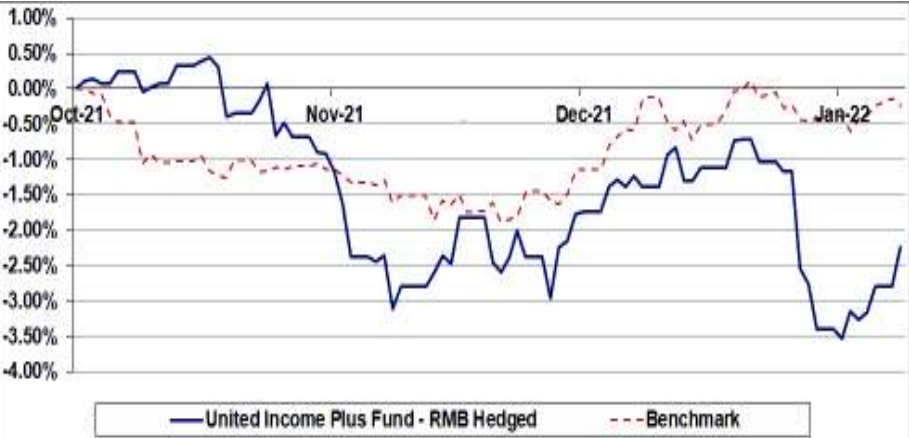
* The benchmark of the Fund is 70% 12 month fixed deposit rate by Malayan Banking Berhad and 30% FBM KLCI with effect from 13 August 2015.

* Prior to that, the benchmark of the Fund was 35% Quantshop All MGS Index; 35% JP Morgan Asia Credit Investment Grade Index; 15% FBM KLCI and 15% MSCI AC Asia Pacific ex Japan.

RMB hedged Class

Since commencement, the Class registered a return of -2.24%, underperforming the benchmark return of -0.24%. The underperformance was due to rising bond yields amid expectation of faster rate liftoff from the U.S. Fed and volatility in the global stock markets.

Since commencement, the net asset value ("NAV") per unit of the Class decreased by 2.24% from RMB 0.5000 to RMB 0.4888.

2.4	Performance review (continued)	<p>The line chart below shows comparison between the performance of the Class and its benchmark from the commencement date of the Class to 31 January 2022.</p>  <p>Source: UOBAM(M) as at 31 January 2022.</p> <table border="1" data-bbox="522 709 1468 852"> <thead> <tr> <th></th> <th>1-month</th> <th>3-month</th> <th>6-month</th> <th>12-month</th> <th>Since commencement</th> </tr> </thead> <tbody> <tr> <td>The Fund</td> <td>-0.87%</td> <td>-2.47%</td> <td>N/A</td> <td>N/A</td> <td>-2.24%</td> </tr> <tr> <td>Benchmark*</td> <td>-0.11%</td> <td>0.23%</td> <td>N/A</td> <td>N/A</td> <td>-0.24%</td> </tr> </tbody> </table> <p>Source: UOBAM(M), Lipper and Bloomberg as at 31 January 2022.</p> <p>* The benchmark of the Fund is 70% 12 month fixed deposit rate by Malayan Banking Berhad and 30% FBM KLCI with effect from 13 August 2015.</p> <p>* Prior to that, the benchmark of the Fund was 35% Quantshop All MGS Index; 35% JP Morgan Asia Credit Investment Grade Index; 15% FBM KLCI and 15% MSCI AC Asia Pacific ex Japan.</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>		1-month	3-month	6-month	12-month	Since commencement	The Fund	-0.87%	-2.47%	N/A	N/A	-2.24%	Benchmark*	-0.11%	0.23%	N/A	N/A	-0.24%
	1-month	3-month	6-month	12-month	Since commencement															
The Fund	-0.87%	-2.47%	N/A	N/A	-2.24%															
Benchmark*	-0.11%	0.23%	N/A	N/A	-0.24%															
2.5	Strategies and policies employed	<p><u>Equity</u></p> <p>We focused on global market leaders as the core of the equity portfolio. Within equities, we were exposed to financials, consumer and commodity sectors as we expect these sectors to be major beneficiaries of reopening. Among the top contributors to the portfolio performance included Mercadolibre, Shell and Sony.</p> <p><u>Fixed Income</u></p> <p>We invested mainly in Ringgit corporate bonds. We favoured Ringgit corporate debts as we expect the market to be supported by demand from local investors due to ample market liquidity. We reduced our position on Asian credits as Asian markets remained volatile amid concerns over regulatory policies and slowing growth indicators out of China. In the near-term we are cautious about investing in sectors that have high regulatory risk.</p>																		

2.6	Asset allocation	<p>This table below shows the asset allocation of the Fund for the financial period ended 31 January are as follows:</p> <table border="1" data-bbox="524 205 1466 457"> <thead> <tr> <th data-bbox="524 205 963 310">Assets</th> <th data-bbox="971 205 1117 310">As at 31 Jan 2022 (%)</th> <th data-bbox="1125 205 1271 310">As at 31 Jan 2021 (%)</th> <th data-bbox="1279 205 1466 310">Changes (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="524 310 963 342">Equities</td> <td data-bbox="971 310 1117 342">25.60</td> <td data-bbox="1125 310 1271 342">24.67</td> <td data-bbox="1279 310 1466 342">0.93</td> </tr> <tr> <td data-bbox="524 342 963 373">Fixed income securities</td> <td data-bbox="971 342 1117 373">66.29</td> <td data-bbox="1125 342 1271 373">70.34</td> <td data-bbox="1279 342 1466 373">-4.05</td> </tr> <tr> <td data-bbox="524 373 963 405">Cash</td> <td data-bbox="971 373 1117 405">8.12</td> <td data-bbox="1125 373 1271 405">4.99</td> <td data-bbox="1279 373 1466 405">3.13</td> </tr> <tr> <td data-bbox="524 405 963 457">Total</td> <td data-bbox="971 405 1117 457">100.00</td> <td data-bbox="1125 405 1271 457">100.00</td> <td data-bbox="1279 405 1466 457">--</td> </tr> </tbody> </table> <p data-bbox="524 499 1466 682">Reason for the differences in asset allocation As at 31 January 2022, the asset allocation of the Fund stood at 25.60% in equities, 66.29% in fixed income securities and 8.12% in cash. The decrease in fixed income securities exposure was due to a defensive strategy in a rising yield environment.</p>	Assets	As at 31 Jan 2022 (%)	As at 31 Jan 2021 (%)	Changes (%)	Equities	25.60	24.67	0.93	Fixed income securities	66.29	70.34	-4.05	Cash	8.12	4.99	3.13	Total	100.00	100.00	--
Assets	As at 31 Jan 2022 (%)	As at 31 Jan 2021 (%)	Changes (%)																			
Equities	25.60	24.67	0.93																			
Fixed income securities	66.29	70.34	-4.05																			
Cash	8.12	4.99	3.13																			
Total	100.00	100.00	--																			
2.7	Income distribution/ Unit splits	<p>For the financial period under review, the Fund has declared the following income distribution:</p> <p data-bbox="524 793 665 825"><u>MYR Class</u></p> <table border="1" data-bbox="524 825 1466 1087"> <thead> <tr> <th data-bbox="524 825 816 972">Distribution Date</th> <th data-bbox="824 825 1117 972">Gross/Net Distribution per unit (RM)</th> <th data-bbox="1125 825 1271 972">Cum - NAV per unit (RM)</th> <th data-bbox="1279 825 1466 972">Ex - NAV per unit (RM)</th> </tr> </thead> <tbody> <tr> <td data-bbox="524 972 816 1003">21-Oct-21</td> <td data-bbox="824 972 1117 1003">0.0030</td> <td data-bbox="1125 972 1271 1003">0.5594</td> <td data-bbox="1279 972 1466 1003">0.5564</td> </tr> <tr> <td data-bbox="524 1003 816 1035">21-Jan-22</td> <td data-bbox="824 1003 1117 1035">0.0030</td> <td data-bbox="1125 1003 1271 1035">0.5462</td> <td data-bbox="1279 1003 1466 1035">0.5432</td> </tr> <tr> <td data-bbox="524 1035 816 1087">Total</td> <td data-bbox="824 1035 1117 1087">0.0060</td> <td data-bbox="1125 1035 1271 1087">--</td> <td data-bbox="1279 1035 1466 1087">--</td> </tr> </tbody> </table> <p data-bbox="524 1119 1466 1199">The Fund did not carry out any unit split exercise during the financial period under view.</p>	Distribution Date	Gross/Net Distribution per unit (RM)	Cum - NAV per unit (RM)	Ex - NAV per unit (RM)	21-Oct-21	0.0030	0.5594	0.5564	21-Jan-22	0.0030	0.5462	0.5432	Total	0.0060	--	--				
Distribution Date	Gross/Net Distribution per unit (RM)	Cum - NAV per unit (RM)	Ex - NAV per unit (RM)																			
21-Oct-21	0.0030	0.5594	0.5564																			
21-Jan-22	0.0030	0.5462	0.5432																			
Total	0.0060	--	--																			
2.8	State of affairs	<p>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.</p>																				
2.9	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>																				

2.10	Market review	<p><u>Equity</u> Global equities were volatile with the MSCI AC World index falling 1.25% in MYR terms during the financial period under review.</p> <p>Market sentiment deteriorated due to the Fed's more hawkish tone on monetary policy. This, coupled with rising inflation, triggered an increase in U.S. bond yields and had a negative impact on equity markets. The performance of growth sectors like technology were more affected by the increase in interest rates. Meanwhile, investors continued to switch to the financial sector which would benefit from rising interest rates.</p> <p>Meanwhile, there was an emergence of a new COVID-19 variant dubbed Omicron. While the Omicron variant caused an increase in new COVID-19 cases globally, the impact to the healthcare system was not severe as hospitalisation rates remained under control and vaccines remain effective against the variant.</p> <p>Chinese equities lagged in terms of performance as investors were spooked by the regulatory crackdown in certain sectors including technology, property and education by the government. Additionally, there has been concerns over contagion from Evergrande's debt crisis and the impact of the energy crunch on economic activity. These issues also affected many China-related companies that are listed in Hong Kong ("H.K.") and was a key reason for the weakness seen in the H.K. market.</p> <p>Towards the end of the financial period under review, Russia-Ukraine tension started building up. Towards end Feb, Russia commenced the invasion of Ukraine. The war in Ukraine has hit global markets. Many countries have started imposing economic sanctions on Russia. This would have implications for commodity prices as Russia is a major producer of metals including aluminium, nickel, copper and palladium and energy.</p> <p><u>Fixed Income</u> U.S. treasury ("UST") yields edged higher on improving economic indicators, optimism from vaccination rollout, inflation concerns and expectations of tapering by the U.S. Fed. The increase in inflation was mainly attributed to rising commodity prices and supply chain disruptions due to lockdowns and shortages in labour force. The U.S. headline inflation rose 7.0% yoy in December 2021, the fastest rate since 1982 while the core inflation was up 5.5% yoy.</p> <p>On the local front, Malaysian government bond yields traded higher during the period under review in tandem with rising UST yields and better visibility on recovery from the pandemic. By end Jan 2022, the country's vaccination rate had reached 79.4%. Furthermore, COVID-19 vaccine booster doses have been offered to most age groups to protect against severe health effects from COVID-19 including the Omicron variant.</p>
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2.10	Market review (continued)	<p>At the end of the period, the 3-, 5-, 7-, 10 and 30-year MGS benchmark yields increased 16 to 66 basis points ("bps") to 2.84%, 3.28%, 3.52%, 3.67% and 4.34% while the 2- and 10-year UST yields rose 99 and 56 bps to 1.18% and 1.78% respectively.</p> <p>On the economic front, Malaysia's Gross Domestic Product ("GDP") expanded strongly by 16.1% yoy in 2Q2021 on a low base, albeit weaker qoq due to lockdowns. Subsequently, the local economy contracted 4.5% yoy in 3Q2021 with broad-based sectoral declines, after the reintroduction of nationwide lockdown during the period to stem COVID-19 infections.</p> <p>Malaysia unveiled an expansionary Budget 2022 focused on tackling post-pandemic challenges and driving economic recovery. The government is targeting to achieve an average annual GDP growth rate of 5.5%-6.5% in 2022. A narrower fiscal deficit of 6.0% of GDP is targeted while government debt would be kept below the statutory limit of 65% of GDP in 2022.</p>
2.11	Market outlook	<p><u>Equity</u></p> <p>In the near term, the war in Ukraine is expected to continue to affect market sentiment negatively. The timing and potential resolution to the Ukraine war remains difficult to predict. In terms of economic impact, it is likely to be more significant to Europe and higher commodity prices including energy and selected base metals.</p> <p>Besides geopolitical tension, the direction of U.S. Fed policy would be monitored closely. With tapering under way, there are expectations that U.S. Fed is at the cusp of rate lift off. Historical evidence suggest that average equity returns can still be positive with tightening monetary policy, albeit lower compared to a loosening monetary policy. With inflation remaining elevated, we are cautious about monetary policy tightening.</p> <p>Against this backdrop, we have de-risked the Fund and raised some cash with the view of redeploying it when there is greater clarity on geopolitical risk and U.S. Fed policy direction. Market valuation has become more attractive after the recent weakness.</p> <p><u>Fixed Income</u></p> <p>The U.S. Fed maintained the fed funds rate at 0–0.25% in its January 2022 Federal Open Market Committee ("FOMC") meeting but signaled that it would start raising interest rate in the forthcoming meeting in March. The Committee also announced that tapering of asset purchases would conclude in early March. The Fed remains optimistic on GDP recovery in the U.S. but was cautious on elevated inflation level. Inflation could be more persistent than previously expected which could lead to more aggressive rate normalization.</p> <p>The U.S. GDP growth is expected to recover by 5.5% (previous: 5.9%) in 2021 and moderate to 4.0% in 2022. Unemployment rate was revised down to 4.3% from 4.8% in 2021 and to improve further to 3.5% in 2022. Meanwhile, both headline and core Personal Consumption Expenditure ("PCE") inflation were revised up in 2021 to 5.3% (previous: 4.2%) and 4.4% (previous: 3.7%) before easing to 2.6% and 2.7% respectively in 2022.</p>

2.11	Market outlook (continued)	<p>Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 1.75% for the ninth consecutive time during its first Monetary Policy Committee ("MPC") meeting in January 2022. The overall policy tone remained neutral. The central bank expects growth to gain momentum in 2022 driven by rising global demand, domestic private spending, and ongoing policy support. Core inflation is expected to be modest, with upside risk contained by the continued slack in the economy and labour market. BNM views the current monetary policy to be appropriate and accommodative. The stance of monetary policy will continue to be data dependent. We expect policy rate to remain at current level until mid-2022 as we believe further fiscal and financial measures can continue to cushion the economic impact and provide support to economic activity.</p> <p>Going forward, we expect the local debt market to trade in a cautious mode amid expectation of rate liftoff from the U.S. Fed and other major central banks. Overall, we are neutral in fixed income. We expect bond yield rises to be modest as bond yields have already risen significantly since early 2021. We prefer corporate debts over government securities that offer better yield pickup.</p>
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Kuala Lumpur, Malaysia
UOB Asset Management (Malaysia) Berhad

29 March 2022

(B) TRUSTEE'S REPORT

TO THE UNITHOLDERS OF UNITED INCOME PLUS FUND

We have acted as Trustee for United Income Plus Fund (“the Fund”) for the financial period ended 31 January 2022. 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 the financial period ended 31 January 2022 by the Manager is not inconsistent with the objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur, Malaysia
29 March 2022

UNITED INCOME PLUS 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 17 to 55 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 Income Plus Fund** as at 31 January 2022 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

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
29 March 2022

UNITED INCOME PLUS FUND

(D) FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2022

	Note	31.01.2022 RM	31.07.2021 RM
ASSETS			
Investments	3	67,260,938	73,830,102
Forward foreign currency contracts	4	7,985	-
Amount due from Manager	5	4,020,999	400,905
Dividend receivables		2,519	21,468
Cash at bank		1,837,078	7,983,504
TOTAL ASSETS		73,129,519	82,235,979
LIABILITIES			
Forward foreign currency contracts	4	-	42,817
Amount due to Trustee	6	4,155	4,962
Accruals		41,546	34,841
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		45,701	82,620
NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS		73,083,818	82,153,359
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:			
Unitholders’ capital	7	68,915,372	75,942,079
Retained earnings	7	4,168,446	6,211,280
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		73,083,818	82,153,359
TOTAL NAV AND LIABILITIES		73,129,519	82,235,979

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

UNITED INCOME PLUS FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2022 (CONTINUED)**

	Note	31.01.2022 RM	31.07.2021 RM
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS			
- MYR CLASS		70,955,641	82,153,359
- SGD HEDGED CLASS		1,253,967	-
- USD HEDGED CLASS		586,126	-
- AUD HEDGED CLASS		287,443	-
- RMB HEDGED CLASS		641	-
		<u>73,083,818</u>	<u>82,153,359</u>
UNITS IN CIRCULATION			
- MYR CLASS	7(a)	<u>129,881,266</u>	<u>146,034,174</u>
- SGD HEDGED CLASS	7(b)	<u>827,300</u>	<u>-</u>
- USD HEDGED CLASS	7(c)	<u>285,400</u>	<u>-</u>
- AUD HEDGED CLASS	7(d)	<u>197,190</u>	<u>-</u>
- RMB HEDGED CLASS	7(e)	<u>2,000</u>	<u>-</u>
NET ASSET VALUE PER UNIT IN MYR			
- MYR CLASS		<u>0.5463</u>	<u>0.5626</u>
- SGD HEDGED CLASS		<u>1.5157</u>	<u>-</u>
- USD HEDGED CLASS		<u>2.0537</u>	<u>-</u>
- AUD HEDGED CLASS		<u>1.4577</u>	<u>-</u>
- RMB HEDGED CLASS		<u>0.3207</u>	<u>-</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- MYR CLASS (MYR)		<u>0.5463</u>	<u>0.5626</u>
- SGD HEDGED CLASS (SGD)		<u>0.4900</u>	<u>-</u>
- USD HEDGED CLASS (USD)		<u>0.4908</u>	<u>-</u>
- AUD HEDGED CLASS (AUD)		<u>0.4943</u>	<u>-</u>
- RMB HEDGED CLASS (CNH)		<u>0.4888</u>	<u>-</u>

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

UNITED INCOME PLUS FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIXTH MONTHS FINANCIAL PERIOD ENDED 31 JANUARY 2022

		01.08.2021 to 31.01.2022	01.08.2020 to 31.01.2021
	Note	RM	RM
INVESTMENT (LOSS)/INCOME			
Dividend income from quoted equities		123,395	131,773
Income distributions from investments at fair value through profit or loss (“FVTPL”)		183,915	286,027
Interest income from unquoted fixed income securities		850,964	824,077
Interest income from deposits with licensed financial institutions		16,599	20,508
Net (loss)/gain on investments at FVTPL:	3		
- net realised gain on sale of investments at FVTPL		1,604,278	1,182,067
- net unrealised (loss)/gain on changes in fair value	7(g)	(3,351,939)	142,173
Net amortisation of premium		(45,822)	(59,255)
Net realised loss on foreign currency exchange		(200,538)	(682,625)
Net realised gain on forward foreign currency contracts		42,290	567,957
Net unrealised (loss)/gain on foreign currency exchange	7(g)	(518)	3,651
Net unrealised gain/(loss)/on forward foreign currency exchange contracts	7(g)	50,802	(5,355)
		<u>(726,574)</u>	<u>2,410,998</u>
EXPENSES			
Manager’s fee	8	502,135	483,215
Trustee’s fee	9	26,004	26,057
Auditors’ remuneration		4,688	4,688
Tax agent’s fee		2,017	-
Other expenses		5,219	6,791
		<u>540,063</u>	<u>520,751</u>

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

UNITED INCOME PLUS FUND

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIXTH MONTHS FINANCIAL PERIOD ENDED 31 JANUARY 2022
(CONTINUED)**

		01.08.2021 to 31.01.2022	01.08.2020 to 31.01.2021
	Note	RM	RM
NET (LOSS)/INCOME BEFORE DISTRIBUTION AND TAXATION		(1,266,637)	1,890,247
Distribution to unitholders:			
- MYR CLASS	11	<u>748,258</u>	<u>818,934</u>
NET (LOSS)/INCOME BEFORE TAXATION		(2,014,895)	1,071,313
Tax expense	10	<u>(27,939)</u>	<u>(24,318)</u>
NET (LOSS)/INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u>(2,042,834)</u>	<u>1,046,995</u>
Net (loss)/income after taxation is made up of the following:			
Realised amount	7(f)	1,258,821	906,526
Unrealised amount	7(g)	<u>(3,301,655)</u>	<u>140,469</u>
		<u>(2,042,834)</u>	<u>1,046,995</u>

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

UNITED INCOME PLUS FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE SIXTH MONTHS FINANCIAL PERIOD ENDED 31 JANUARY 2022

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 August 2020		44,683,590	5,843,377	50,526,967
Movement in net asset value:				
Total comprehensive income for the financial period		-	1,046,995	1,046,995
Creation of units				
- MYR CLASS		53,219,411	-	53,219,411
Reinvestment of units				
- MYR CLASS		818,746	-	818,746
Cancellation of units				
- MYR CLASS		(27,856,458)	-	(27,856,458)
Balance as at 31 January 2021		<u>70,865,289</u>	<u>6,890,372</u>	<u>77,755,661</u>

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

UNITED INCOME PLUS FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO UNITHOLDERS FOR THE SIXTH MONTHS FINANCIAL PERIOD
ENDED 31 JANUARY 2022 (CONTINUED)**

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 August 2021		75,942,079	6,211,280	82,153,359
Movement in net asset value:				
Total comprehensive loss for the financial period		-	(2,042,834)	(2,042,834)
Creation of units				
- MYR CLASS	7(a)	12,077,377	-	12,077,377
- SGD HEDGED CLASS	7(b)	1,271,565	-	1,271,565
- USD HEDGED CLASS	7(c)	588,471	-	588,471
- AUD HEDGED CLASS	7(d)	298,337	-	298,337
- RMB HEDGED CLASS	7(e)	650	-	650
Reinvestment of units				
- MYR CLASS	7(a)	748,258	-	748,258
Cancellation of units				
- MYR CLASS	7(a)	(22,011,365)	-	(22,011,365)
Balance as at 31 January 2022		<u>68,915,372</u>	<u>4,168,446</u>	<u>73,083,818</u>

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

UNITED INCOME PLUS FUND**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIXTH MONTHS FINANCIAL PERIOD ENDED 31 JANUARY 2022**

	01.08.2021 to 31.01.2022 RM	01.08.2020 to 31.01.2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	24,448,219	40,979,721
Purchase of investments	(19,673,963)	(65,759,377)
Dividend received from quoted equities	142,240	117,350
Income distributions received from financial assets at FVTPL	183,915	286,026
Interest received from unquoted fixed income securities	852,389	643,432
Interest received from deposits with licensed financial institutions	16,599	20,508
Manager's fee paid	(516,788)	(449,754)
Trustee's fee paid	(26,811)	(24,261)
Payment of other fees and expenses	(5,219)	(6,791)
Foreign withholding tax	(27,939)	(24,318)
Net realised gain on forward foreign currency contracts	42,290	567,957
Net realised loss on foreign currency exchange	(200,538)	(682,625)
Net cash generated from/(used in) operating and investing activities	<u>5,234,394</u>	<u>(24,332,132)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	11,273,902	52,279,699
Payment for cancellation of units	(22,654,722)	(28,456,950)
Distributions paid	-	(188)
Net cash (used in)/generated from financing activities	<u>(11,380,820)</u>	<u>23,822,561</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,146,426)	(509,571)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>7,983,504</u>	<u>5,065,614</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>1,837,078</u>	<u>4,556,043</u>
Cash and cash equivalents comprise the following:		
Cash at bank	<u>1,837,078</u>	<u>4,556,043</u>
	<u>1,837,078</u>	<u>4,556,043</u>

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

UNITED INCOME PLUS FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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

The United Income Plus Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 30 April 2014 as amended by a First Supplemental Deed dated 26 February 2015 and Second Supplemental Deed dated 2 January 2019 (collectively referred to as “the Deeds”) between UOB Asset Management (Malaysia) Berhad (“the Manager”) and Deutsche Trustees Malaysia Berhad (“the Trustee”).

The Fund seeks to provide investors with income and capital appreciation over the medium to long term by investing primarily in fixed income securities with the remaining investing in equities and equity-related securities. The Fund was launched on 9 February 2015 and commenced for operation on 2 March 2015. As provided in the Master Deed, the accrual period or financial year shall end on 31 July.

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

The financial statements were authorised for issue by the Manager on 31 March 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 the 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 August 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 year beginning on or after 1 August 2022 are applicable to the financial statements of the Fund.

UNITED INCOME PLUS 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 year.

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 and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

UNITED INCOME PLUS FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Classification (continued)

- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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, dividend receivables 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 not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and 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 collective investment schemes, equity, debt instruments and derivatives. These includes investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

UNITED INCOME PLUS 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 does not have such liabilities at this juncture.

(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

UNITED INCOME PLUS 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)

A financial asset is derecognised when: (continued)

- (b) the Fund has neither transferred nor retained substantially all the risks and rewards, but has transferred control of the financial asset.

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, income distribution from collective investment schemes, 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 INCOME PLUS 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 year if a 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 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 INCOME PLUS 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 a bank with a maturity of less than 3 months 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.

Dividend income from quoted equities and income distribution from collective investment schemes are recognised when the Fund's right to receive payment is established.

Interest income from deposits with licensed financial institutions and interest income from unquoted fixed income securities are recognised using the effective interest method.

(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 year.

(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 INCOME PLUS 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 year.

(n) Determination of fair value

For investments in collective investment schemes ("CIS"), fair value is determined based on the closing NAV per unit of the CIS. For quoted investments, fair value is determined based on the closing price quoted on Reuters. For investments in fixed income securities, nominal value is the face value of the securities and fair value is determined based on the indicative prices from Bond Pricing Agency Malaysia Sdn. Bhd., plus accrued interest which includes the accretion of discount and amortisation of premium. Adjusted cost of investments relates to the purchased cost plus accrued interest, adjusted for accretion of discount and amortisation of premium, if any, calculated over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. The difference between adjusted cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3. INVESTMENTS

	31.01.2022	31.07.2021
	RM	RM
Investments designated as FVTPL:		
- collective investment schemes - foreign	7,512,623	10,203,848
- quoted investments - foreign	18,736,827	20,527,823
- unquoted fixed income securities - local	41,011,488	43,098,431
	<u>67,260,938</u>	<u>73,830,102</u>

UNITED INCOME PLUS FUND

3. INVESTMENTS (CONTINUED)

	01.08.2021 to 31.01.2022 RM	01.08.2020 to 31.01.2021 RM
Net (loss)/gain on investments at FVTPL comprised:		
- net realised gain on sale of investments at FVTPL	1,604,278	1,182,067
- net unrealised (loss)/gain on changes in fair value	(3,351,939)	142,173
	<u>(1,747,661)</u>	<u>1,324,240</u>

Investments designated as FVTPL as at 31 January 2022 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 SCHEMES - FOREIGN				
United Asian Bond Fund				
- Class USD*	1,780,000	6,166,898	5,228,159	7.15
United Emerging Markets Bond Fund - Class USD*	650,000	2,528,292	2,284,464	3.13
TOTAL COLLECTIVE INVESTMENT SCHEMES - FOREIGN	<u>2,430,000</u>	<u>8,695,190</u>	<u>7,512,623</u>	<u>10.28</u>

* Collective Investment Schemes related to the Manager.

QUOTED INVESTMENTS - FOREIGN

Australia

Financials

Macquarie Group Limited	2,400	1,420,281	1,299,721	1.78
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United States

Consumer Discretionary

Sony Group Corporation	4,500	1,994,350	2,102,334	2.88
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UNITED INCOME PLUS FUND

3. INVESTMENTS (CONTINUED)

Investments designated as FVTPL as at 31 January 2022 are as follows: (continued)

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS - FOREIGN (CONTINUED)				
<u>United States (continued)</u>				
Energy				
Shell Adr Each Rep 2 Ord	7,600	1,472,778	1,634,438	2.24
Financials				
American Express Company	2,000	1,412,629	1,504,734	2.06
Discover Financial Services	3,000	1,487,007	1,452,894	1.99
Lloyds Banking Group Plc	110,000	1,347,143	1,261,058	1.72
Natwest Group Plc	53,000	1,412,829	1,465,781	2.01
Sumitomo Mitsui Financial Group, Inc.	48,000	1,421,769	1,443,982	1.97
	216,000	7,081,377	7,128,449	9.75
Industrials				
Fanuc Corporation	15,000	1,349,740	1,242,014	1.70
Raytheon Technologies Corporation	4,600	1,601,817	1,735,833	2.38
	19,600	2,951,557	2,977,847	4.08
Materials				
Alcoa Corporation	2,300	594,546	545,732	0.74
Telecommunication Services				
Alphabet Inc.	153	1,686,122	1,732,296	2.37
The Walt Disney Company	2,200	1,405,593	1,316,010	1.80
	2,353	3,091,715	3,048,306	4.17
TOTAL QUOTED INVESTMENTS - FOREIGN				
		18,606,604	18,736,827	25.64

UNITED INCOME PLUS FUND

3. INVESTMENTS (CONTINUED)

Investments designated as FVTPL as at 31 January 2022 are as follows: (continued)

Maturity date	Issuer	Credit rating	Nominal value RM	Adjusted cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES - LOCAL						
CORPORATE BONDS						
07.02.2022	Affin Bank Berhad	A1	2,000,000	2,052,559	2,052,859	2.81
15.03.2022	AmBank (M) Berhad	A1	1,800,000	1,835,645	1,840,073	2.52
29.03.2022	Al Dzahab Assets Berhad	AAA	2,500,000	2,541,952	2,550,777	3.50
15.04.2022	Infracap Resources Sdn. Bhd.	AAA (S)	4,000,000	4,033,805	4,036,805	5.52
09.05.2023	Danum Capital Berhad	AAA (S)	1,000,000	1,030,065	1,027,823	1.41
25.07.2023	United Overseas Bank (Malaysia) Berhad*	AA1	2,000,000	2,058,217	2,057,221	2.81
13.12.2024	Malaysia Airport Holdings Berhad	AA2	700,000	723,823	728,736	1.00
03.02.2025	Hong Leong Assurance Berhad	AA3	2,000,000	2,099,215	2,034,575	2.78
01.08.2025	United Overseas Bank Berhad*	AA1	1,000,000	1,014,959	995,159	1.36

UNITED INCOME PLUS FUND

3. INVESTMENTS (CONTINUED)

Investments designated as FVTPL as at 31 January 2022 are as follows: (continued)

Maturity date	Issuer	Credit rating	Nominal value RM	Adjusted cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES - LOCAL (CONTINUED)						
CORPORATE BONDS (CONTINUED)						
22.08.2025	GENM Capital Berhad	AA1 (S)	1,000,000	1,021,614	1,040,124	1.42
09.10.2025	Malayan Banking Berhad	AA1	4,000,000	4,035,912	3,952,952	5.41
21.10.2025	Pengerang LNG (TWO) Sdn. Bhd.	AAA IS	3,000,000	3,021,080	2,926,430	4.00
03.12.2025	Sime Darby Berhad	AA+ IS	2,000,000	2,010,192	1,968,972	2.69
25.06.2026	S P Setia Berhad	AA IS	3,000,000	3,011,392	3,012,022	4.12
25.09.2026	Danainfra Nasional Berhad	NR**	1,000,000	1,011,621	1,004,541	1.37
31.03.2027	GENM Capital Berhad	AA1 (S)	3,000,000	3,050,755	3,095,755	4.24
16.11.2027	Dialog Group Berhad	A1	1,000,000	1,008,755	993,345	1.36
20.04.2028	UMW Holdings Berhad	AA- IS	3,000,000	3,213,964	3,337,179	4.58
04.06.2029	Pengurusan Air SPV Berhad	AAA	1,000,000	1,006,481	1,015,631	1.39
30.06.2033	Cypark Ref Sdn. Bhd.	AA3	1,000,000	1,026,164	1,019,476	1.39

UNITED INCOME PLUS FUND

3. INVESTMENTS (CONTINUED)

Maturity date	Issuer	Credit rating	Nominal value RM	Adjusted cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES - LOCAL (CONTINUED)						
CORPORATE BONDS (CONTINUED)						
23.08.2033	Lebuhraya Duke Fasa 3 Sdn. Bhd.	AA- IS	300,000	338,858	321,033	0.44
TOTAL UNQUOTED FIXED INCOME SECURITIES - LOCAL			40,300,000	41,147,028	41,011,488	56.12
TOTAL INVESTMENTS				68,448,822	67,260,938	92.04
SHORTFALL OF FAIR VALUE OVER COST				(1,187,884)		
- UNREALISED LOSS ON FAIR VALUE				(1,134,065)		
- UNREALISED LOSS ON FOREIGN EXCHANGE				(53,819)		
TOTAL INVESTMENTS AT FVTPL				67,260,938		

* A financial institution related to the Manager.

** The unquoted fixed income securities which are non-rated ("NR") as at the end of the reporting date are issues, backed or guaranteed by government or government agencies.

The weighted average effective yield on unquoted fixed income securities is as follows:

	31.01.2022 %	31.07.2021 %
Corporate bonds	3.61	3.35
Cagamas bond	-	1.99

UNITED INCOME PLUS FUND

3. INVESTMENTS (CONTINUED)

Analysis of the remaining maturity by nominal value of unquoted fixed income securities as at 31 January 2022 and 31 July 2021 are as follows:

	Less than 1 year RM	1 year to 5 years RM	More than 5 years RM
31.01.2022			
Corporate bonds	10,300,000	20,700,000	9,300,000
	<u>10,300,000</u>	<u>20,700,000</u>	<u>9,300,000</u>
31.07.2021			
Corporate bonds	10,300,000	15,700,000	14,300,000
	<u>10,300,000</u>	<u>15,700,000</u>	<u>14,300,000</u>
Cagamas bond	1,500,000	-	-
	<u>1,500,000</u>	<u>-</u>	<u>-</u>

4. FORWARD FOREIGN CURRENCY CONTRACTS

As at the reporting date, there are 8 (31.07.2021: 3) forward foreign currency contracts outstanding.

The notional principal amount of the outstanding forward foreign currency contracts amounted to RM3,400,536 (31.07.2021: RM7,149,494).

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

As the Fund has not adopted hedge accounting, the change in fair value of the forward foreign currency contract is recognised immediately in profit or loss.

5. AMOUNT DUE FROM/(TO) MANAGER

	31.01.2022 RM	31.07.2021 RM
Creation of units	4,113,685	1,151,601
Cancellation of units	(12,051)	(655,409)
Manager's fee payable	(80,635)	(95,287)
	<u>4,020,999</u>	<u>400,905</u>

The normal credit period for the Manager's fee payable is one month (31.07.2021: one month).

UNITED INCOME PLUS FUND

6. AMOUNT DUE TO TRUSTEE

	31.01.2022	31.07.2021
	RM	RM
Amount due to Trustee	4,155	4,962

Amount due to Trustee represents Trustee's fee payable.

The normal credit period for the Trustee's fee payable is one month (31.07.2021: 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 the Fund at a valuation point is determined by dividing the NAV of the Fund at that valuation point by the number of units in circulation of the Fund at the same valuation point.

The income and expenses are apportioned to the classes based on the multiclass ratio (MCR) except for the hedging costs that are absorbed by the relevant classes.

Net asset value attributable to unitholders is represented by:

	Note	31.01.2022	31.07.2021
		RM	RM
Unitholders' capital			
- MYR CLASS	7(a)	66,756,349	75,942,079
- SGD HEDGED CLASS	7(b)	1,271,565	-
- USD HEDGED CLASS	7(c)	588,471	-
- AUD HEDGED CLASS	7(d)	298,337	-
- RMB HEDGED CLASS	7(e)	650	-
		<u>68,915,372</u>	<u>75,942,079</u>
Retained earnings			
- Realised gain	(f)	5,375,231	4,116,410
- Unrealised (loss)/gain	(g)	(1,206,785)	2,094,870
		4,168,446	6,211,280
Total NAV attributable to unitholders		<u>73,083,818</u>	<u>82,153,359</u>

UNITED INCOME PLUS FUND

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

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

	Units	31.01.2022 RM	Units	31.07.2021 RM
At the beginning of the financial period/year	146,034,174	75,942,079	90,166,308	44,683,590
Creation of units during the financial period/year	21,764,386	12,077,377	144,019,768	81,634,288
Reinvestment for the financial period/year	1,360,952	748,258	4,368,518	2,478,727
Cancellation of units during the financial period/year	<u>(39,278,247)</u>	<u>(22,011,365)</u>	<u>(92,520,420)</u>	<u>(52,854,526)</u>
At the end of the financial period/year	<u>129,881,265</u>	<u>66,756,349</u>	<u>146,034,174</u>	<u>75,942,079</u>

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

	Units	31.01.2022 RM	Units	31.07.2021 RM
At the beginning of the financial period/year	-	-	-	-
Creation of units during the financial period/year	<u>827,300</u>	<u>1,271,565</u>	<u>-</u>	<u>-</u>
At the end of the financial period/year	<u>827,300</u>	<u>1,271,565</u>	<u>-</u>	<u>-</u>

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

	Units	31.01.2022 RM	Units	31.07.2021 RM
At the beginning of the financial period/year	-	-	-	-
Creation of units during the financial period/year	<u>285,400</u>	<u>588,471</u>	<u>-</u>	<u>-</u>
At the end of the financial period/year	<u>285,400</u>	<u>588,471</u>	<u>-</u>	<u>-</u>

UNITED INCOME PLUS FUND

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

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

	31.01.2022		31.07.2021	
	Units	RM	Units	RM
At the beginning of the financial period/year	-	-	-	-
Creation of units during the financial period/year	197,190	298,337	-	-
At the end of the financial period/year	197,190	298,337	-	-

(e) UNITHOLDERS’ CAPITAL/ UNITS IN CIRCULATION - RMB HEDGED CLASS

	31.01.2022		31.07.2021	
	Units	RM	Units	RM
At the beginning of the financial period/year	-	-	-	-
Creation of units during the financial period/year	2,000	650	-	-
At the end of the financial period/year	2,000	650	-	-

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 January 2022 (31.07.2021: Nil).

(f) RETAINED EARNINGS - REALISED

	31.01.2022	31.07.2021
	RM	RM
At the beginning of the financial period/year	4,116,410	3,238,991
Total comprehensive (loss)/income for the financial period/year	(2,042,834)	367,903
Net unrealised loss attributable to investments and others held transferred to unrealised reserve	3,301,655	509,516
Net increase in realised reserve for the financial period/year	1,258,821	877,419
At the end of the financial period/year	5,375,231	4,116,410

UNITED INCOME PLUS FUND

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

(g) RETAINED EARNINGS - UNREALISED

	31.01.2022	31.07.2021
	RM	RM
At the beginning of the financial period/year	2,094,870	2,604,386
Net unrealised loss attributable to investments and others held transferred to unrealised reserve:		
- Investments at FVTPL	(3,351,939)	(451,387)
- Forward foreign currency contracts	50,802	(58,193)
- Foreign currency exchange	(518)	64
	<u>(3,301,655)</u>	<u>(509,516)</u>
At the end of the financial period/year	<u>(1,206,785)</u>	<u>2,094,870</u>

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 2.00% (01.08.2020 - 31.01.2021: 2.00%) per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 1.50% (01.08.2020 - 31.01.2020: 1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

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 0.20% (01.08.2020 - 31.01.2020: 0.20%) per annum of the net asset value of the Fund, calculated on a daily basis; subject to a minimum fee of RM15,000 (01.08.2020 - 31.01.2020: RM15,000) per annum (excluding foreign custodian fees and charges).

The Trustee’s fee provided in the financial statements is 0.07% (01.08.2020 - 31.01.2020: 0.07%) per annum based on the net asset value of the Fund subject to a minimum fee of RM15,000 (01.08.2020 - 31.01.2020: RM15,000) per annum, calculated on a daily basis for the financial year.

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 INCOME PLUS FUND

10. INCOME TAX EXPENSE

Income from unquoted fixed income securities and deposit placements is exempted from tax in accordance with Schedule 6, Paragraph 35 and 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.

A reconciliation of income tax expense applicable to net (loss)/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:

	01.08.2021 to 31.01.2022	01.08.2020 to 31.01.2021
	RM	RM
Net (loss)/income before taxation	(1,266,637)	1,890,247
Tax calculated at a tax rate of 24% (01.08.2020 - 31.01.2021: 24%)	(303,993)	453,659
Tax effects of:		
Income not subject to tax	(618,019)	(757,976)
Loss not deductible for tax purposes	792,396	179,336
Restriction on tax deductible expenses for unit trust funds	121,638	117,097
Expenses not deductible for tax purposes	7,978	7,884
	303,993	(453,659)
Income tax for the financial period	-	-
Foreign withholding tax	27,939	24,318
Tax expense for the financial period	27,939	24,318

UNITED INCOME PLUS FUND

11. DISTRIBUTIONS

Distributions to unitholders is derived from the following sources:

	01.08.2021 to 31.01.2022	01.08.2020 to 31.01.2021
	RM	RM
Gross dividend	136,598	342,366
Interest income	339,807	632,842
Net realised gain on sale of investments at FVTPL	709,532	284,851
Net realised gain on foreign currency exchange	130,323	103,944
	<u>1,316,260</u>	<u>1,364,003</u>
Less:		
Expenses	540,063	520,751
Tax expense	27,939	24,318
Net distributable amount	<u>748,258</u>	<u>818,934</u>

There are unrealised loss of RM3,301,655 (31.01.2020: unrealised gain of 140,469). The distribution made to the financial period includes an amount of RM1,316,260 (31.01.2021: RM1,364,003) from previous year's realised income.

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

Financial period ended 31 January 2022

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM
<u>MYR CLASS</u>			
21 October 2021	22 October 2021	0.0030	378,884
21 January 2022	24 January 2022	0.0030	369,374
		<u>0.0060</u>	<u>748,258</u>

Financial period ended 31 January 2021

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM
<u>MYR CLASS</u>			
15 October 2020	16 October 2020	0.0030	414,761
26 January 2021	27 January 2021	0.0030	404,173
		<u>0.0060</u>	<u>818,934</u>

UNITED INCOME PLUS FUND

12. MANAGEMENT EXPENSE RATIO (“MER”)

	01.08.2021 to 31.01.2022	01.08.2020 to 31.01.2021
	%	%
Manager’s fee*	0.68	0.65
Trustee’s fee	0.04	0.04
Other expenses	0.01	0.02
Total MER	<u>0.73</u>	<u>0.71</u>

* *Manager’s fee net of Target Fund’s management fee*

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.

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.08.2021 to 31.01.2022	01.08.2020 to 31.01.2021
PTR (times)	<u>0.30</u>	<u>0.72</u>

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 INCOME PLUS FUND

14. TRANSACTIONS WITH BROKERS AND LICENSED FINANCIAL INSTITUTIONS

Details of transactions with brokers and licensed financial institutions for the financial period ended 31 January 2022 are as follows:

Brokers/financial institutions	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Citibank,N.A. Singapore Branch	18,446,246	43.28	42,154	48.29
J.P. Morgan Chase, New York	10,593,821	24.86	17,532	20.09
CIMB Securities (Singapore) Pte Ltd	5,787,778	13.58	12,595	14.43
Deutsche Bank (Malaysia) Berhad	1,841,616	4.32	-	-
CGS – CIMB Securities Sdn. Bhd	1,650,719	3.87	3,693	4.23
Kenanga Dmg Futures Sdn Bhd	1,447,424	3.40	3,712	4.25
Morgan Financial Limited	1,420,281	3.33	3,741	4.29
Kenanga Investment Bank Berhad	1,064,121	2.49	2,769	3.17
Maybank Investment Bank Berhad	370,177	0.87	1,093	1.25
	<u>42,622,183</u>	<u>100.00</u>	<u>87,289</u>	<u>100.00</u>

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 recognised:

- (i) the Fund's investments, comprising collective investment schemes, quoted equities and unquoted fixed income securities, 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, dividend receivables, and cash at a bank, are classified as financial assets which are measured at amortised cost;
- (iii) the Fund's financial liabilities, comprising amount due to Manager, amount due to Trustee and amount due to brokers are classified as other financial liabilities which are 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 INCOME PLUS FUND

15. FINANCIAL INSTRUMENTS (CONTINUED)

	Financial assets and liabilities at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Derivatives at FVTPL RM	Total RM
31.01.2022					
Financial assets					
Investments	67,260,938	-	-	-	67,260,938
Forward foreign currency contracts	-	-	-	7,985	7,985
Amount due from Manager	-	4,020,999	-	-	4,020,999
Dividend receivables	-	2,519	-	-	2,519
Cash at bank	-	1,837,078	-	-	1,837,078
Total financial assets	67,260,938	5,860,596	-	7,985	73,129,519
Financial liabilities					
Amount due to Trustee	-	-	4,155	-	4,155
Total financial liabilities	-	-	4,155	-	4,155
31.07.2021					
Financial assets					
Investments	73,830,102	-	-	-	73,830,102
Amount due from Manager	-	400,905	-	-	400,905
Dividend receivables	-	21,468	-	-	21,468
Cash at bank	-	7,983,504	-	-	7,983,504
Total financial assets	73,830,102	8,405,877	-	-	82,235,979
Financial liabilities					
Forward foreign currency contracts	-	-	-	42,817	42,817
Amount due to Trustee	-	-	4,962	-	4,962
Total financial liabilities	-	-	4,962	42,817	47,779

UNITED INCOME PLUS 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 assets 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
31.01.2022				
Financial instruments				
- Collective investment schemes	-	7,512,623	-	7,512,623
- Quoted investments	18,736,827	-	-	18,736,827
- Unquoted fixed income securities	-	41,011,488	-	41,011,488
- Forward foreign currency contracts	-	7,985	-	7,985
	<u>18,736,827</u>	<u>48,532,096</u>	<u>-</u>	<u>67,268,923</u>

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.07.2021				
Financial instruments				
- Collective investment schemes	-	10,203,848	-	10,203,848
- Quoted investments	20,527,823	-	-	20,527,823
- Unquoted fixed income securities	-	43,098,431	-	43,098,431
- Forward foreign currency contracts	-	(42,817)	-	(42,817)
	<u>20,527,823</u>	<u>53,259,462</u>	<u>-</u>	<u>73,787,285</u>

UNITED INCOME PLUS 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/(to) Manager
- Cash at bank
- Dividend receivables
- 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, non-compliance risk, currency risk, liquidity risk, credit risk and interest rate risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the SC Guidelines on Unit Trust Funds.

(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 that seeks to invest in various geographical markets will be subjected to risks arising from general and sector specific economic conditions in the markets in which the Fund invests. However, if one of the markets which the Fund invests in suffers a downturn or instability due to economic and/or political conditions, the possible adverse impact on the Fund's value may be softened by the fact that the Fund is also invested in other markets that are not experiencing similar downturn or instability. In the event the downturn or instability affects multiple markets within the region or globally, the benefits of diversification in multiple markets enjoyed by the Fund will be reduced as each of the markets it invests in experiences the downturn or instability.

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

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

	31.01.2022	31.07.2021
	RM	RM
Investments at FVTPL	<u>67,260,938</u>	<u>73,830,102</u>

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 profit after tax and net asset value RM
31.01.2022			
	-5	63,897,891	(3,363,047)
	0	67,260,938	-
	5	70,623,985	3,363,047
		<u> </u>	<u> </u>
31.07.2021			
	-5	70,138,597	(3,691,505)
	0	73,830,102	-
	5	77,521,607	3,691,505
		<u> </u>	<u> </u>

(b) Non-compliance risk

Non-adherence with laws, rules, regulations, prescribed practices, internal policies and procedures may adversely affect the Fund's investment when the Manager takes action to rectify the non-compliance. 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.

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Currency risk (continued)

This risk is associated with investments denominated in currencies different from the base currency of the Fund. As the Fund is denominated in RM, investments in countries other than Malaysia will cause the Fund to be exposed to currency risks. When foreign currencies move unfavourably against the RM, these investments may face currency loss in addition to any capital gains or losses, which will affect the NAV of the Fund, and consequently the NAV per Unit of the Fund. The Manager may mitigate this risk by hedging the foreign currency exposure. However, by employing this hedging, it will limit the potential upside of these currencies where investors would not be able to enjoy the additional returns when these currencies move favourably against the RM.

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

		31.01.2022		31.07.2021
		Percentage		Percentage
	RM	of NAV	RM	of NAV
		%		%
AUD				
Investments at FVTPL	1,299,721	1.78	-	-
Cash at bank	20,776	0.03	-	-
	<u>1,320,497</u>	<u>1.81</u>	<u>-</u>	<u>-</u>
CNH				
Cash at bank	656	-*	-	-
USD				
Investments at FVTPL	24,949,728	34.14	30,731,671	37.41
Amount due from Manager	157,418	0.22	-	-
Dividend receivables	2,519	-*	21,468	0.03
Cash at bank	105,429	0.14	14,332	0.02
	<u>25,215,094</u>	<u>34.50</u>	<u>30,767,471</u>	<u>37.45</u>
SGD				
Cash at bank	25,988	0.04	-	-

* represents values that are less than 0.01

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Currency risk (continued)

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.

	31.01.2022		31.07.2021	
	Change in	Impact on net	Change in	Impact on net
	foreign	income after	foreign	income after
	exchange rate	taxation and	exchange rate	taxation and
	%	NAV	%	NAV
		RM		RM
AUD	+5	66,025	+5	-
	-5	(66,025)	-5	-
USD	+5	1,260,755	+5	1,538,374
	-5	(1,260,755)	-5	(1,538,374)
CNH	+5	33	+5	-
	-5	(33)	-5	-
SG	+5	1,299	+5	-
	-5	(1,299)	-5	-

(d) Liquidity risk

Liquidity risk refers to the ease of liquidating an investment depending on the investment's volume traded in the market. Generally, if the Fund holds many securities that are illiquid, or difficult to dispose of, the value of the Fund may be affected when it has to sell such securities at an unfavourable price. This in turn will depress the value of the Fund. This risk may be mitigated by avoiding securities or markets with poor liquidity.

The table below summarises the Fund's financial assets and liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

	Contractual cash flows (undiscounted)						
	No maturity RM	0 - 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
31.01.2022							
Financial assets							
Investments*	26,249,450	11,746,304	4,159,012	1,797,697	14,027,628	4,585,186	10,284,046
Amount due from Manager	-	4,020,999	-	-	-	-	-
Dividend receivables	-	2,519	-	-	-	-	-
Cash at bank	1,837,078	-	-	-	-	-	-
Total financial assets	28,086,528	15,769,822	4,159,012	1,797,697	14,027,628	4,585,186	10,284,046
Financial liabilities							
Amount due to Trustee	-	4,155	-	-	-	-	-
Total financial liabilities	-	4,155	-	-	-	-	-
31.07.2021							
Financial assets							
Investments*	30,731,671	13,483,395	4,228,347	1,095,587	3,772,684	10,881,243	16,071,325
Amount from to Manager	-	400,905	-	-	-	-	-
Dividend receivables	-	21,468	-	-	-	-	-
Cash at bank	7,983,504	-	-	-	-	-	-
Total financial assets	38,715,175	13,905,768	4,228,347	1,095,587	3,772,684	10,881,243	16,071,325
Financial liabilities							
Forward foreign currency contracts	-	42,817	-	-	-	-	-
Amount due to Trustee	-	4,962	-	-	-	-	-
Total financial liabilities	-	47,779	-	-	-	-	-

* The Fund's investments in collective investment schemes, quoted shares and bank balances have no maturity period.

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Credit risk

This refers to the creditworthiness of the issuers of fixed income securities and/or money market instruments and its expected ability to make timely payment of interest and/or principal. Default happens when the issuers are not able to make timely payments of interest and/or principal. Fixed income securities and/or money market instruments are subject to both actual and perceived measures of creditworthiness. The downgrading of a rated fixed income securities or adverse publicity and investor perception could decrease the value and liquidity of the fixed income securities and/or money market instruments, particularly in a thinly traded market.

Deposits that the Fund has placed with licensed financial institutions are also exposed to credit/default risk. If the financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the Fund to be adversely affected. Placement of deposits with a licensed financial institution will also be made based on prudent selection by the Manager according to its analysis on credit worthiness of the financial institutions.

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

	Unquoted fixed income securities RM	Cash and cash equivalents RM	Derivative assets at FVTPL RM	Dividend receivable RM	Total RM	As a percentage of NAV %
31.01.2022						
- AAA	3,566,408	-	6,856	-	3,573,264	4.89
- AAA IS	2,926,430	-	-	-	2,926,430	4.00
- AA	-	-	2,872	-	2,872	-
- AA1	7,005,332	1,837,078	(1,743)	-	8,840,667	12.10
- AA1 (S)	4,135,879	-	-	-	4,135,879	5.66
- AA2	728,736	-	-	-	728,736	1.00
- AA3	3,054,051	-	-	-	3,054,051	4.18
- A1	4,886,277	-	-	-	4,886,277	6.69
- AA IS	3,012,022	-	-	-	3,012,022	4.12
- AA+ IS	1,968,972	-	-	-	1,968,972	2.69
- AA- IS	3,658,212	-	-	-	3,658,212	5.01
- AAA (S)	5,064,628	-	-	-	5,064,628	6.93
- NR*	1,004,541	-	-	2,519	1,007,060	1.38
	41,011,488	1,837,078	7,985	2,519	42,859,070	58.65

* Non-rated

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

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Credit risk (continued)

The following table sets out maximum exposure to credit risk and the credit risk concentrations of the Fund: (continued)

	Unquoted fixed income securities RM	Cash and cash equivalents RM	Derivative liabilities at FVTPL RM	Dividend receivable RM	Total RM	As a percentage of NAV %
31.07.2021						
- AAA	3,631,217	-	(27,145)	-	3,604,072	4.39
- AAA IS	4,483,215	-	-	-	4,483,215	5.46
- AA1	7,087,660	7,983,504	-	-	15,071,164	18.35
- AA1 (S)	4,163,707	-	-	-	4,163,707	5.07
- AA2	736,088	-	-	-	736,088	0.90
- AA3	3,126,379	-	(15,672)	-	3,110,707	3.79
- A1	8,377,565	-	-	-	8,377,565	10.20
- AA IS	3,038,018	-	-	-	3,038,018	3.70
- AA+ IS	2,007,402	-	-	-	2,007,402	2.44
- AA- IS	330,437	-	-	-	330,437	0.40
- AAA (S)	5,081,960	-	-	-	5,081,960	6.19
- NR*	1,034,783	-	-	21,468	1,056,251	1.29
	43,098,431	7,983,504	(42,817)	21,468	51,060,586	62.18

* Non-rated

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

(f) Interest rate risk

This Fund is also subject to interest rate risk. Interest rate is a general indicator that will have an impact on the management of the Fund. This risk refers to the effect of interest rate changes on the market value of a portfolio of fixed income securities. In the event of rising interest rates, prices of fixed income securities will generally decrease and vice versa. Meanwhile, fixed income securities with longer maturities and lower coupon/interest rates are more sensitive to interest rate changes.

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 1% with all other variables held constant.

UNITED INCOME PLUS FUND

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Interest rate risk (continued)

	Impact on profit after taxation/Net Asset Value	
	31.01.2022	31.07.2021
	RM	RM
Change in interest rate (%)		
Unquoted fixed income securities		
+1%	(410,115)	(430,984)
-1%	410,115	430,984

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 Note 7(a) to 7(e).

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

(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	Deutsche Trustees Malaysia Berhad 200701005591 (763590-H)
Auditor of the Fund	Ernst & Young
Tax Agent of the Fund	Ernst & Young Tax Consultants Sdn Bhd