



United Global Healthcare Fund

Annual Report

for the financial year ended
31 December 2021

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

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

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

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

SUB-MANAGER

Wellington Management Singapore Pte. Ltd.

8 Marina Boulevard

#03-01, Tower 1, Marina Bay Financial Centre

Singapore 018981

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

A) Fund Performance

Class SGD Acc

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 21 August 2000 Ann Comp Ret
United Global Healthcare Fund	0.73	-2.00	3.75	16.79	11.28	14.80	9.74
Benchmark	5.98	7.27	19.86	17.87	13.55	14.68	6.71

Source: Morningstar.

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

Class USD Dist

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 1 September 2015 Ann Comp Ret
United Global Healthcare Fund	1.40	-2.32	1.60	17.21	12.79	N/A	8.87
Benchmark	6.72	6.96	17.51	18.30	15.14	N/A	11.05

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.
The benchmark of the Fund: MSCI ACWI Healthcare.

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A) Fund Performance (continued)

Class A SGD Acc (Hedged)

	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 27 August 2019 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United Global Healthcare Fund	1.46	-2.28	1.67	N/A	N/A	N/A	17.79
Benchmark	5.98	7.27	19.86	N/A	N/A	N/A	19.04

Source: Morningstar.

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

Class A USD Acc

	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 27 August 2019 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United Global Healthcare Fund	1.44	-2.31	1.72	N/A	N/A	N/A	18.56
Benchmark	6.72	6.96	17.51	N/A	N/A	N/A	20.55

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.
The benchmark of the Fund: MSCI ACWI Healthcare.

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A) Fund Performance (continued)

Class A MYR Acc

	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 27 August 2019 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United Global Healthcare Fund	0.90	-1.94	5.32	N/A	N/A	N/A	18.08
Benchmark	6.20	7.33	21.70	N/A	N/A	N/A	20.08

Source: Morningstar.

Note: The performance returns of the Fund are in Malaysian Ringgit based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.
The benchmark of the Fund: MSCI ACWI Healthcare.

Class A MYR Acc (Hedged)

	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 27 August 2019 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United Global Healthcare Fund	1.72	-1.66	2.85	N/A	N/A	N/A	18.49
Benchmark	6.20	7.33	21.70	N/A	N/A	N/A	20.08

Source: Morningstar.

Note: The performance returns of the Fund are in Malaysian Ringgit based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.
The benchmark of the Fund: MSCI ACWI Healthcare.

For the 12 months ended 31 December 2021, the net asset value for Class SGD Acc and Class A SGD Acc (Hedged) of the Fund **increased 3.75%** and **1.67%** respectively against a gain of 19.86% for the benchmark (in Singapore Dollar terms), Class USD Dist and Class A USD Acc **increased 1.60%** and **1.72%** respectively against the benchmark, which increased 17.51% (in United States Dollar terms), Class A MYR Acc and Class A MYR Acc (Hedged) of the Fund **increased 5.32%** and **2.85%** respectively against a gain of 21.70% for the benchmark (in Malaysian Ringgit terms).

The Fund is sub-managed by Wellington Management Singapore Pte Ltd and the commentary that follows reflects the views of the sub-manager.

As of the end of December 2021, the Fund had the following country asset allocation: **United States** (73.77%), **United Kingdom** (6.38%), **Japan** (4.83%), **China** (3.03%), **Netherlands** (3.03%), **Switzerland** (1.83%), **Denmark** (1.24%), **Belgium** (0.71%) and others (1.66%) with the remaining held in cash (3.52%). The Fund maintained a low level of cash balances during the year.

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A) Fund Performance (continued)

The Fund's underperformance during the year was primarily driven by weak stock selection in medical technology, biopharma mid cap, and biopharma small cap. One holding that detracted from relative performance was **Zai Lab Ltd**, as shares declined ~50% throughout the year. From a stock specific perspective, the key asset **Oinlock**, via partnership with **Deciphera Pharmaceuticals**, failed its phase 3 study for the treatment of gastrointestinal stromal tumor (GIST). From a macro perspective, the stock was also weak due to rising concerns around heightened regulation from Chinese government, much like we saw this year across both the technology sector and after school tutoring industry. Furthermore, Chinese biotech stocks were weak after the Chinese Center for Drug Evaluation advocated that clinical trials replace placebos with best supportive care in the comparative arm for all cancer trials. While negatively received by the market, we view this as a positive change that supports sustainable growth of truly innovative drugs over the long-term.

The Fund's underperformance was partially offset by holding **Eli Lilly & Co** which announced that the company had received the FDA's Breakthrough Drug Therapy designation for donamemab, an investigational antibody therapy for the treatment of Alzheimer's disease. Shares of **Eli Lilly & Co** continued to rise after the company reported solid quarterly earnings results and highlighted the strong growth of newer products, like diabetes drug Trulicity, heart drug Jardiance and psoriasis treatment Taltz.

The top relative detractors from returns were **Zai Lab Ltd**, not owning **Novo Nordisk**, **TCR² Therapeutics Inc**, **Gritstone bio Inc** and **Allakos Inc**.

The key relative contributors were **UnitedHealth Group Inc**, **Eli Lilly & Co**, not owning **Medtronic Plc**, not owning **Merck & Co.**, **Merus** and an *underweight* to **Novartis AG**.

In terms of country exposure, investments in the **United States** generated most of the Fund's underperformance, while holdings in **Germany** and **Spain** contributed positively.

Economic and Market Review

The **Health Care** sector was off to a positive start this year, as the MSCI AC World Health Care Index rose 2.1% during the first quarter. The portfolio underperformed the benchmark by 352 basis points during the first quarter (in SGD terms). Within the index, performance was strongest in the biopharma small-cap sector.

In the second quarter of 2021, the MSCI AC World Health Care Index had strong performance and gained 9.4% over the period, and the portfolio underperformed the benchmark by 206 basis points in SGD terms. Within the index, performance was strongest in the biopharma mid-cap and medical technology sectors.

In the third quarter, the MSCI AC World Health Care Index gained 1.2%, outperforming the Fund by 392 basis points in SGD terms. Within the index, performance was strongest in the medical technology and biopharma large-cap sectors.

Global health care equities ended the year with a positive fourth quarter, as the MSCI AC World Health Care index increased 6.0%. The portfolio underperformed the benchmark by 525 basis points in SGD terms. Within the Index, performance was strongest in the health care services and biopharma large-cap sectors.

A) Fund Performance (continued)

Outlook and Fund Strategy

COVID-19 disruptions will likely continue for many months, but we are encouraged by strong fundamentals across the healthcare industry, supported by hopes the Omicron wave could peak soon, leading the way to a more normalized investment backdrop. Within the biopharma industry, valuations are compelling as we enter 2022.

Valuations of large cap biopharma companies in aggregate have been at historic lows due to the threat of **US** drug price reform. This issue will be largely behind us soon; with that we believe investors will re-focus attention on drug pipelines, compelling innovation, and overall R&D productivity. Within small and mid-cap biopharma, the significant pullback that started in February 2021 and continued through the year has left valuations today much more compelling than a year ago. In addition, the attractive valuation backdrop, breakthrough innovation in the biopharma industry, particularly in oncology, immunology and certain rare diseases, is creating a rich opportunity set for specialist investors.

Outside of biopharma the opportunity set is equally compelling. Certain medical technology companies are seeing strong fundamentals as they help enable robust drug development and manufacturing in increasingly diverse therapeutic categories. Diagnostics companies are helping with COVID-19 testing, developing more convenient routine medical tests, and expanding into new attractive categories such as early cancer screening. Medical device companies have been impacted from COVID-19 headwinds but should see increased demand as patients resume elective procedures and the market starts to focus on very attractive pipelines.

And importantly, the overall delivery of healthcare continues to evolve. The **US**, for example, is experiencing a decades-long transition toward a fee-for-value payment system from an historic fee-for-service approach. These tailwinds across the various healthcare subsectors, coupled with strong valuation support, leaves us with a positive outlook for the **Health Care** sector in 2022.

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2021 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Belgium	6,047,156	0.71
Brazil	4,011,075	0.47
Canada	2,144,324	0.25
China	25,829,842	3.03
Denmark	10,529,254	1.24
Japan	41,110,896	4.83
Netherlands	25,770,053	3.03
Spain	4,922,202	0.58
Sweden	3,024,427	0.36
Switzerland	15,589,881	1.83
United Kingdom	54,306,801	6.38
United States	<u>627,895,689</u>	<u>73.77</u>
Portfolio of investments	821,181,600	96.48
Other net assets/(liabilities)	<u>29,945,541</u>	<u>3.52</u>
Total	<u><u>851,127,141</u></u>	<u><u>100.00</u></u>

ii) Industry

	Fair Value (S\$)	% of NAV
Financials	912,105	0.11
Government	5,918,276	0.69
Health Care	<u>814,351,219</u>	<u>95.68</u>
Portfolio of investments	821,181,600	96.48
Other net assets/(liabilities)	<u>29,945,541</u>	<u>3.52</u>
Total	<u><u>851,127,141</u></u>	<u><u>100.00</u></u>

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2021 under review classified by (continued)

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted bonds	5,918,276	0.69
Quoted equities	815,263,324	95.79
Other net assets/(liabilities)	<u>29,945,541</u>	<u>3.52</u>
Total	<u>851,127,141</u>	<u>100.00</u>

iv) Credit rating of quoted bonds by Moody’s

	Fair Value (S\$)	% of NAV
Aaa	<u>5,918,276</u>	<u>0.69</u>
Total	<u>5,918,276</u>	<u>0.69</u>

C) Top Ten Holdings

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITEDHEALTH GROUP INC	60,923,019	7.16
ELI LILLY & CO	41,539,285	4.88
PFIZER INC	41,122,601	4.83
ASTRAZENECA PLC	29,521,657	3.47
BOSTON SCIENTIFIC CORP	25,229,295	2.96
DANAHER CORP	21,861,487	2.57
STRYKER CORP	21,287,038	2.50
BRISTOL-MYERS SQUIBB CO	20,943,428	2.46
HUMANA INC	17,518,010	2.06
ZOETIS INC	17,083,085	2.01

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C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITEDHEALTH GROUP INC	35,515,256	5.39
PFIZER INC	21,181,161	3.21
ABBOTT LABORATORIES	20,081,199	3.05
THERMO FISHER SCIENTIFIC INC	17,766,162	2.70
ELI LILLY & CO	17,106,255	2.60
BOSTON SCIENTIFIC CORP	16,723,072	2.54
ASTRAZENECA PLC	16,163,506	2.45
EDWARDS LIFESCIENCES CORP	14,652,651	2.22
VERTEX PHARMACEUTICALS INC	12,901,979	1.96
DANAHER CORP	12,669,640	1.92

D) Exposure to derivatives

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

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

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2021

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Foreign currency contracts	96,148,723	474,655	0.06	56,364	0.01

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D) Exposure to derivatives (continued)

- ii) There was a net realised loss of SGD 3,628,792 on derivative contracts during the financial year ended 31 December 2021.
- iii) There was a net unrealised gain of SGD 418,291 on outstanding derivative contracts marked to market as at 31 December 2021.

E) Amount and percentage of NAV invested in other schemes as at 31 December 2021

N/A

F) Amount and percentage of borrowings to NAV as at 31 December 2021

N/A

G) Amount of redemptions and subscriptions for the financial year ended 31 December 2021

Total amount of redemptions	SGD	383,326,087
Total amount of subscriptions	SGD	555,500,106

H) The amount and terms of related-party transactions for the financial year ended 31 December 2021

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

I) Expense ratios

Please refer to Note 11 of the Notes to the Financial Statements.

J) Turnover ratios

Please refer to Note 11 of the Notes to the Financial Statements.

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

N/A

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

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2021 and 31 December 2020

N/A

ii) Expense ratios for the financial year ended 31 December 2021 and 31 December 2020

N/A

iii) Turnover ratios for the financial year ended 31 December 2021 and 31 December 2020

N/A

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

M) Soft dollar commissions/arrangements

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

The Sub-Manager, Wellington Management Singapore Pte Ltd and their affiliates (collectively, the “Wellington Management Group”) may utilise external research provided by broker/dealers and independent, or third-party research firms in their investment decision-making process (“Research Services”). These Research Services include written research material, conversations with analysts at the research firms, meetings with corporate management and access to experts in a variety of fields, such as government officials, doctors, researchers, lawyers and scientists.

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

N/A

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REPORT OF THE TRUSTEE

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 17 to 61, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory
28 March 2022

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

STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 17 to 61, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of United Global Healthcare Fund (the "Fund") as at 31 December 2021, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT
Authorised signatory
28 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL HEALTHCARE FUND

Our Opinion

In our opinion, the accompanying financial statements of United Global Healthcare Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2021, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2021;
- the Statement of Financial Position as at 31 December 2021;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2021;
- the Statement of Portfolio as at 31 December 2021; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL HEALTHCARE FUND

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

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

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL HEALTHCARE FUND

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 March 2022

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STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2021

	Note	2021 \$	2020 \$
Income			
Dividends		5,748,093	3,673,230
Interest		-	2,933
Other income		<u>1,503</u>	-
Total		<u>5,749,596</u>	<u>3,676,163</u>
Less: Expenses			
Management fee	10	13,534,101	8,244,433
Trustee fee	10	252,001	161,297
Audit fee		25,550	24,963
Registrar fee	10	24,966	25,000
Valuation fee	10	1,546,755	942,221
Custody fee	10	205,934	233,163
Transaction costs		598,650	411,248
Interest expenses		1,279	-
Other expenses		<u>532,120</u>	<u>387,195</u>
Total		<u>16,721,356</u>	<u>10,429,520</u>
Net income/(losses)		<u>(10,971,760)</u>	<u>(6,753,357)</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		42,036,311	102,926,205
Net gains/(losses) on financial derivatives		(3,210,501)	3,125,096
Net foreign exchange gains/(losses)		<u>241,569</u>	<u>(771,104)</u>
		<u>39,067,379</u>	<u>105,280,197</u>
Total return/(deficit) for the financial year before income tax		28,095,619	98,526,840
Less: Income tax	3	<u>(1,355,914)</u>	<u>(890,351)</u>
Total return/(deficit) for the financial year		<u>26,739,705</u>	<u>97,636,489</u>

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

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	2021	2020
Note	\$	\$
Assets		
Portfolio of investments	821,181,600	641,384,524
Sales awaiting settlement	5,311,239	5,180,046
Receivables	5 2,367,202	12,095,012
Cash and bank balances	42,951,213	12,262,743
Financial derivatives at fair value	7 474,655	2,713,564
Total assets	<u>872,285,909</u>	<u>673,635,889</u>
Liabilities		
Purchases awaiting settlement	13,734,090	1,409,286
Payables	6 6,459,364	12,240,807
Distribution payable	4 908,950	342,778
Financial derivatives at fair value	7 56,364	472,974
Total liabilities	<u>21,158,768</u>	<u>14,465,845</u>
Equity		
Net assets attributable to unitholders	8 <u>851,127,141</u>	<u>659,170,044</u>

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

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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2021

	Note	2021 \$	2020 \$
Net assets attributable to unitholders at the beginning of the financial year		659,170,044	354,698,883
Operations			
Change in net assets attributable to unitholders resulting from operations		26,739,705	97,636,489
Unitholders' contributions/(withdrawals)			
Creation of units		555,500,106	641,906,770
Cancellation of units		<u>(383,326,087)</u>	<u>(431,337,519)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		172,174,019	210,569,251
Distributions	4	(6,956,627)	(3,734,579)
Total increase/(decrease) in net assets attributable to unitholders		<u>191,957,097</u>	<u>304,471,161</u>
Net assets attributable to unitholders at the end of the financial year	8	<u>851,127,141</u>	<u>659,170,044</u>

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary			
Quoted bonds			
UNITED STATES			
CASH MANAGEMENT BILL 02/22 0.00000	4,390,000	5,918,276	0.69
Quoted equities			
BELGIUM			
UCB SA	39,306	6,047,156	0.71
BRAZIL			
NOTRE DAME INTERMEDICA PARTICIPACOES SA	274,600	4,011,075	0.47
CANADA			
ZYMEWORKS INC	97,045	2,144,324	0.25
CHINA			
AKESO INC	640,000	3,762,778	0.44
BEIGENE LTD - ADR	8,708	3,180,634	0.37
EVEREST MEDICINES LTD	306,830	1,846,404	0.22
GRACELL BIOTECHNOLOGIES - ADR	101,609	827,384	0.10
JOINN LABORATORIES (CHINA) CO LTD - H	22,120	251,113	0.03
LIFETECH SCIENTIFIC CORP	4,349,300	2,752,644	0.32
SHANDONG WEIGAO GROUP MEDICAL POLYMER CO LTD - H	1,064,000	1,790,211	0.21
VENUS MEDTECH HANGZHOU INC - H	372,500	1,906,635	0.22
WUXI APPTTEC CO LTD - H	157,223	3,670,283	0.43
ZAI LAB LTD	18,450	1,614,346	0.19

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

United Global Healthcare Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
CHINA (continued)			
ZAI LAB LTD - ADR	49,892	<u>4,227,410</u>	<u>0.50</u>
TOTAL CHINA		<u>25,829,842</u>	<u>3.03</u>
DENMARK			
ASCENDIS PHARMA A/S - ADR	24,169	4,383,450	0.52
GENMAB A/S	10,165	5,510,703	0.65
ZEALAND PHARMA A/S	21,234	<u>635,101</u>	<u>0.07</u>
TOTAL DENMARK		<u>10,529,254</u>	<u>1.24</u>
JAPAN			
ASTELLAS PHARMA INC	449,700	9,847,727	1.16
DAIICHI SANKYO CO LTD	460,489	15,768,869	1.85
EISAI CO LTD	107,801	8,242,480	0.97
KYOWA KIRIN CO LTD	89,600	3,288,524	0.39
ONO PHARMACEUTICAL CO LTD	118,534	<u>3,963,296</u>	<u>0.46</u>
TOTAL JAPAN		<u>41,110,896</u>	<u>4.83</u>
NETHERLANDS			
ARGENX SE	11,676	5,644,078	0.66
KONINKLIJKE PHILIPS NV	224,481	11,276,251	1.33
MERUS NV	206,426	<u>8,849,724</u>	<u>1.04</u>
TOTAL NETHERLANDS		<u>25,770,053</u>	<u>3.03</u>

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

United Global Healthcare Fund
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As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
SPAIN			
GRIFOLS SA	190,257	4,922,202	0.58
SWEDEN			
BIOARCTIC AB	170,397	3,024,427	0.36
SWITZERLAND			
ALCON INC	55,664	6,649,845	0.78
MOLECULAR PARTNERS AG	8,576	226,121	0.03
NOVARTIS AG	35,413	4,206,476	0.49
TECAN GROUP AG	5,484	<u>4,507,439</u>	<u>0.53</u>
TOTAL SWITZERLAND		<u>15,589,881</u>	<u>1.83</u>
UNITED KINGDOM			
ABCAM PLC	138,465	4,381,671	0.51
ASTRAZENECA PLC	186,303	29,521,657	3.47
FREELINE THERAPEUTICS HOLDINGS PLC - ADR	26,138	69,419	0.01
GENUS PLC	38,923	3,509,608	0.41
HIKMA PHARMACEUTICALS PLC	84,609	3,428,271	0.40
IMMUNOCORE HOLDINGS PLC - ADR	93,177	4,301,111	0.51
OXFORD NANOPORE TECHNOLOGIES PLC	31,708	404,134	0.05
SMITH & NEPHEW PLC	275,084	6,497,301	0.76
VERONA PHARMA PLC - ADR	242,134	<u>2,193,629</u>	<u>0.26</u>
TOTAL UNITED KINGDOM		<u>54,306,801</u>	<u>6.38</u>

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United Global Healthcare Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
UNITED STATES			
10X GENOMICS INC - CLASS A	898	180,337	0.02
89BIO INC	57,759	1,017,732	0.12
ACLARIS THERAPEUTICS INC	128,066	2,510,363	0.29
ADAPTHEALTH CORP	75,599	2,492,934	0.29
AGILENT TECHNOLOGIES INC	64,888	13,965,984	1.64
AGILON HEALTH INC	114,992	4,185,715	0.49
ALIGN TECHNOLOGY INC	8,894	7,879,881	0.93
ALIGOS THERAPEUTICS INC	96,499	1,544,229	0.18
ALNYLAM PHARMACEUTICALS INC	40,713	9,307,777	1.09
ALX ONCOLOGY HOLDINGS INC	79,295	2,297,314	0.27
AMEDISYS INC	22,576	4,926,953	0.58
AMICUS THERAPEUTICS INC	617,060	9,608,323	1.13
APELLIS PHARMACEUTICALS INC	64,930	4,138,673	0.49
AVANOS MEDICAL INC	51,300	2,397,781	0.28
AVEANNA HEALTHCARE HOLDINGS INC	145,874	1,455,284	0.17
BAXTER INTERNATIONAL INC	72,953	8,442,500	0.99
BECTON DICKINSON AND CO	23,824	8,077,117	0.95
BIOATLA INC	124,215	3,287,249	0.39
BIOGEN INC	18,704	6,049,774	0.71
BIO-TECHNE CORP	6,433	4,486,708	0.53
BOSTON SCIENTIFIC CORP	440,537	25,229,295	2.96
BRISTOL-MYERS SQUIBB CO	249,157	20,943,428	2.46
CANO HEALTH INC	159,415	1,914,896	0.23
CENTENE CORP	73,721	8,189,486	0.96
CHANGE HEALTHCARE INC	145,796	4,202,343	0.49
COVETRUS INC	164,459	4,427,657	0.52
DANAHER CORP	49,287	21,861,487	2.57

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United Global Healthcare Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
UNITED STATES (continued)			
EDWARDS LIFESCIENCES CORP	72,950	12,740,924	1.50
ELANCO ANIMAL HEALTH INC	90,636	3,467,778	0.41
ELI LILLY & CO	111,549	41,539,285	4.88
ENCOMPASS HEALTH CORP	147,072	12,939,434	1.52
ENTRADA THERAPEUTICS INC	84,912	1,959,797	0.23
EXACT SCIENCES CORP	79,062	8,295,700	0.97
GLAUKOS CORP	57,330	3,434,743	0.40
HAEMONETICS CORP/MASS	26,780	1,914,927	0.23
HCA HEALTHCARE INC	23,951	8,295,829	0.97
HEALTH CATALYST INC	1,098	58,648	0.01
HOLOGIC INC	85,118	8,785,400	1.03
HUMANA INC	28,013	17,518,010	2.06
ILLUMINA INC	12,687	6,507,038	0.76
IMMUNOGEN INC	180,080	1,801,389	0.21
INARI MEDICAL INC	34,160	4,203,239	0.49
INHIBRX INC	102,799	6,052,159	0.71
INSULET CORP	34,654	12,430,469	1.46
INTEGRA LIFESCIENCES HOLDINGS CORP	44,254	3,996,692	0.47
INVITAE CORP	110,839	2,281,759	0.27
KINNATE BIOPHARMA INC	527	12,590	0.00
KODIAK SCIENCES INC	12,315	1,407,557	0.17
LABORATORY CORP OF AMERICA HOLDINGS	25,189	10,670,116	1.25
MADRIGAL PHARMACEUTICALS INC	39,455	4,507,427	0.53
MASIMO CORP	5,435	2,145,256	0.25
MERSANA THERAPEUTICS INC	150,464	1,261,715	0.15
MIRATI THERAPEUTICS INC	28,228	5,582,373	0.66

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

United Global Healthcare Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
UNITED STATES (continued)			
MOLINA HEALTHCARE INC	16,884	7,240,189	0.85
MYOVANT SCIENCES LTD	196,841	4,131,830	0.49
NANOSTRING TECHNOLOGIES INC	95,965	5,463,515	0.64
NEOGENOMICS INC	87,550	4,027,202	0.47
OSCAR HEALTH INC - CLASS A	86,186	912,105	0.11
OWENS & MINOR INC	72,310	4,240,586	0.50
PFIZER INC	516,562	41,122,601	4.83
PHASEBIO PHARMACEUTICALS INC	140,108	492,994	0.06
PHREESIA INC	2,045	114,855	0.01
PTC THERAPEUTICS INC	51,797	2,781,334	0.33
QUIDEL CORP	18,637	3,391,687	0.40
RADIUS HEALTH INC	99,801	931,063	0.11
RELAY THERAPEUTICS INC	6,857	283,891	0.03
REVOLUTION MEDICINES INC	53,439	1,813,342	0.21
RHYTHM PHARMACEUTICALS INC	35,804	481,726	0.06
ROCKET PHARMACEUTICALS INC	77,522	2,281,481	0.27
SAREPTA THERAPEUTICS INC	27,894	3,386,357	0.40
SEAGEN INC	55,011	11,465,612	1.35
STRYKER CORP	59,045	21,287,038	2.50
SYNEOS HEALTH INC	106,492	14,741,479	1.73
TELEFLEX INC	20,613	9,128,267	1.07
THERMO FISHER SCIENTIFIC INC	13,525	12,166,273	1.43
THESEUS PHARMACEUTICALS INC	29,493	504,169	0.06
TURNING POINT THERAPEUTICS INC	68,322	4,393,566	0.52
TYRA BIOSCIENCES INC	24,017	455,566	0.05
ULTRAGENYX PHARMACEUTICAL INC	19,975	2,264,485	0.27
UNITED THERAPEUTICS CORP	15,608	4,546,739	0.53

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

United Global Healthcare Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2021

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
UNITED STATES (continued)			
UNITEDHEALTH GROUP INC	89,995	60,923,019	7.16
VAXCYTE INC	70,979	2,276,473	0.27
VERACYTE INC	78,268	4,347,301	0.51
VERVE THERAPEUTICS INC	56,275	2,797,222	0.33
Y MABS THERAPEUTICS INC	76,367	1,668,887	0.20
ZOETIS INC	51,926	<u>17,083,085</u>	<u>2.01</u>
TOTAL UNITED STATES		<u>621,977,413</u>	<u>73.08</u>
Total Equities		<u>815,263,324</u>	<u>95.79</u>
Portfolio of investments		821,181,600	96.48
Other net assets/(liabilities)		<u>29,945,541</u>	<u>3.52</u>
Net assets attributable to unitholders		<u>851,127,141</u>	<u>100.00</u>

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2021

	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography - Primary (Summary)		
Quoted equities and bonds		
Belgium	0.71	0.98
Brazil	0.47	0.15
Canada	0.25	-
China	3.03	3.40
Denmark	1.24	1.40
France	-	0.10
Germany	-	0.23
Hong Kong	-	0.21
Ireland	-	1.21
Japan	4.83	5.27
Netherlands	3.03	1.49
Spain	0.58	0.27
Sweden	0.36	0.35
Switzerland	1.83	2.34
United Kingdom	6.38	5.69
United States	73.77	74.21
Portfolio of investments	96.48	97.30
Other net assets/(liabilities)	3.52	2.70
Net assets attributable to unitholders	100.00	100.00

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2021

	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Industry - Secondary			
Quoted equities and bonds			
Financials	912,105	0.11	0.02
Government	5,918,276	0.69	0.43
Health Care	814,351,219	95.68	96.76
Information Technology	-	-	0.09
Portfolio of investments	821,181,600	96.48	97.30
Other net assets/(liabilities)	29,945,541	3.52	2.70
Net assets attributable to unitholders	851,127,141	100.00	100.00

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

United Global Healthcare Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

1 General

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

The investment objective of the Fund is to achieve long term capital growth by investing in securities issued by companies principally involved in the development, production or distribution of products, equipment and/or services related to healthcare, in any part of the world. Such investments would include investing in sub-sectors of the healthcare industry such as medical products, health services, major pharmaceuticals, specialty major pharmaceuticals, and specialty pharmaceuticals.

The Fund currently offers six classes of units, namely:

- Class SGD Acc (denominated in the Singapore Dollar)
- Class USD Dist (denominated in the United States Dollar)
- Class A SGD Acc (Hedged) (denominated in the Singapore Dollar)
- Class A USD Acc (denominated in the United States Dollar)
- Class A MYR Acc (denominated in the Malaysian Ringgit)
- Class A MYR Acc (Hedged) (denominated in the Malaysian Ringgit)

“Acc” refers to Accumulation classes which do not declare or pay distribution but accumulate investment gains and income in their net asset values (“NAV”).

“Dist” refers to Distribution classes which declares and pays distribution in accordance with the applicable distribution policies.

Hedged classes allow the Manager to adopt currency hedging strategies and use currency hedging transactions to reduce the effect of exchange rate fluctuations between the currency in which the relevant Hedged classes is denominated against the currency in which the underlying investments are denominated. The costs and expenses associated with the hedging transactions and any benefits of the hedging transactions will accrue to the hedged classes only.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar, the United States Dollar and the Malaysian Ringgit.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets held at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” revised and issued by the Institute of Singapore Chartered Accountants in July 2020 for the financial year beginning on or after 1 July 2020.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Fund and had no material effect on the amounts reported for the current or prior years.

(b) Recognition of income

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

(c) Investments

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

(i) Initial recognition

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on last traded market prices for equities and market mid prices for the quoted debt securities on the financial year end date. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value. Accrued interest or discount or premium on debt securities at financial year end date is included in the fair value of debt securities. Interest income on debt securities is presented within "Net gains/losses on investments" on the Statement of Total Return.

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(f) Receivables

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

(g) Sales and purchases awaiting settlement

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

(h) Cash and bank balances

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

(i) Payables

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

(j) Financial derivatives

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

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

(k) Distributions

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

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Income tax

	2021	2020
	\$	\$
Overseas income tax	1,355,914	890,351

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Income tax (continued)

As at 31 December 2021 and 2020, the Fund has uncertain taxes exposure with respect to gains on investment of which the tax liability is estimated to be insignificant. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 Distributions

	2021			2020		
	Per 100 units Class currency	Amount Class currency	Amount \$	Per 100 units Class currency	Amount Class currency	Amount \$
Class USD Dist						
January interim distribution on units outstanding as at 1 February 2021 (2020: 3 February 2020)	0.668	294,917	391,384	0.568	199,650	272,502
February interim distribution on units outstanding as at 1 March 2021 (2020: 2 March 2020)	0.649	296,905	394,794	0.538	201,390	281,079
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	0.633	399,260	536,446	0.493	204,556	291,256
April interim distribution on units outstanding as at 3 May 2021 (2020: 4 May 2020)	0.652	374,850	498,701	0.550	234,388	329,948
May interim distribution on units outstanding as at 1 June 2021 (2020: 1 June 2020)	0.646	418,231	553,404	0.585	238,703	337,382
June interim distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	0.667	385,442	518,111	0.584	222,838	310,870
July interim distribution on units outstanding as at 2 August 2021 (2020: 3 August 2020)	0.656	395,369	535,370	0.610	214,536	295,331
August interim distribution on units outstanding as at 1 September 2021 (2020: 1 September 2020)	0.666	417,770	561,942	0.620	219,682	298,680
September interim distribution on units outstanding as at 1 October 2021 (2020: 1 October 2020)	0.632	414,143	562,241	0.609	252,148	344,207
October interim distribution on units outstanding as at 1 November 2021 (2020: 2 November 2020)	0.642	553,833	746,844	0.595	217,927	297,580
November interim distribution on units outstanding as at 1 December 2021 (2020: 1 December 2020)	0.601	545,849	748,440	0.638	248,537	332,966

United Global Healthcare Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 Distributions (continued)

	2021			2020		
	Per 100 units Class currency	Amount Class currency	Amount \$	Per 100 units Class currency	Amount Class currency	Amount \$
December final distribution on units outstanding as at 3 January 2022 (2020: 4 January 2021)	0.629	674,220	<u>908,950</u>	0.664	259,356	<u>342,778</u>
			<u>6,956,627</u>			<u>3,734,579</u>

5 Receivables

	2021 \$	2020 \$
Amounts receivable for creation of units	1,335,605	11,339,015
Dividends receivable	206,698	185,977
Other receivables	<u>824,899</u>	<u>570,020</u>
	<u>2,367,202</u>	<u>12,095,012</u>

6 Payables

	2021 \$	2020 \$
Amounts payable for cancellation of units	2,107,400	9,024,557
Amount due to the Manager	3,969,289	2,937,582
Amount due to Trustee	65,792	49,906
Tax payables	58,653	55,924
Other creditors and accrued expenses	<u>258,230</u>	<u>172,838</u>
	<u>6,459,364</u>	<u>12,240,807</u>

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7 Financial derivatives at fair value

Financial derivatives contracts comprise of foreign currency contracts for the sale and purchase of foreign currencies. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at the financial year end date are analysed below.

	2021		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	96,148,723	474,655	56,364
		2020	
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	142,087,594	2,713,564	472,974

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8 Units in issue

During the financial years ended 31 December 2021 and 2020, the numbers of units issued, redeemed and outstanding were as follows:

	Class SGD Acc		Class USD Dist	
	2021	2020	2021	2020
Units at the beginning of the financial year	66,237,121	50,035,344	39,030,687	38,459,261
Units created	42,430,511	53,591,394	112,835,351	57,290,395
Units cancelled	(26,328,134)	(37,389,617)	(44,759,875)	(56,718,969)
Units at the end of the financial year*	<u>82,339,498</u>	<u>66,237,121</u>	<u>107,106,163</u>	<u>39,030,687</u>
*Included above are units denominated in USD	42,909,836	35,307,160	-	-
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	570,129,849	442,130,349	154,972,967	58,424,127
Net assets value per unit (SGD equivalent)	6.924	6.674	1.446	1.496
Net assets attributable to unitholders (Class Currency)	570,129,849	442,130,349	114,952,318	44,205,445
Net assets value per unit (Class Currency)	6.924	6.674	1.073	1.132

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8 Units in issue (continued)

	Class A SGD Acc (Hedged)		Class A USD Acc	
	2021	2020	2021	2020
Units at the beginning of the financial year	7,901,374	2,754,939	6,542,141	1,189,910
Units created	9,737,676	13,029,895	3,862,553	9,850,289
Units cancelled	(6,132,715)	(7,883,460)	(5,905,176)	(4,498,058)
Units at the end of the financial year*	<u>11,506,335</u>	<u>7,901,374</u>	<u>4,499,518</u>	<u>6,542,141</u>
 *Included above are units denominated in USD	 -	 -	 -	 -
	\$	\$	\$	\$
 Net assets attributable to unitholders (SGD equivalent)	 16,778,186	 11,331,176	 8,975,018	 12,578,628
Net assets value per unit (SGD equivalent)	1.458	1.434	1.994	1.922
 Net assets attributable to unitholders (Class Currency)	 16,778,186	 11,331,176	 6,657,284	 9,517,367
Net assets value per unit (Class Currency)	1.458	1.434	1.479	1.454

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8 Units in issue (continued)

	Class A MYR Acc		Class A MYR Acc (Hedged)	
	2021	2020	2021	2020
Units at the beginning of the financial year	74,043,951	16,400,056	213,228,972	42,198,762
Units created	37,722,241	113,770,305	122,110,085	379,058,688
Units cancelled	<u>(58,226,539)</u>	<u>(56,126,410)</u>	<u>(179,044,872)</u>	<u>(208,028,478)</u>
Units at the end of the financial year*	<u>53,539,653</u>	<u>74,043,951</u>	<u>156,294,185</u>	<u>213,228,972</u>

*Included above are units denominated in USD

	-	-	-	-
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	25,393,682	33,850,705	74,877,439	100,855,059
Net assets value per unit (SGD equivalent)	0.474	0.457	0.479	0.472
Net assets attributable to unitholders (Class Currency)	78,470,555	103,026,214	231,383,311	306,957,119
Net assets value per unit (Class Currency)	1.465	1.391	1.480	1.439

Distributions are accrued for at the financial year end date if the necessary approvals have been obtained and a legal or constructive obligation has been created, for the purpose of determining the accounting net asset values in the financial statements.

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8 Units in issue (continued)

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

	Class SGD Acc		Class USD Dist	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	6.924	6.674	1.446	1.496
Effect of distribution payable	<u>-</u>	<u>-</u>	<u>0.009</u>	<u>0.009</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u>6.924</u>	<u>6.674</u>	<u>1.455</u>	<u>1.505</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u>6.924</u>	<u>6.674</u>	<u>1.079</u>	<u>1.139</u>

	Class A SGD Acc (Hedged)		Class A USD Acc	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	1.458	1.434	1.994	1.922
Effect of distribution payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u>1.458</u>	<u>1.434</u>	<u>1.994</u>	<u>1.922</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u>1.458</u>	<u>1.434</u>	<u>1.479</u>	<u>1.454</u>

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8 Units in issue (continued)

	Class A MYR Acc		Class A MYR Acc (Hedged)	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	0.474	0.457	0.479	0.472
Effect of distribution payable	-	-	-	-
Net assets attributable to unitholders for issuing/redeeming per unit	0.474	0.457	0.479	0.472
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	1.465	1.391	1.480	1.439

9 Financial risk management

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

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

NOTES TO THE FINANCIAL STATEMENTS

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9 Financial risk management (continued)

(a) Market risk

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

(i) Foreign exchange risk

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

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9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2021

	MYR \$	USD \$	JPY \$	SGD \$	Others \$	Total \$
Assets						
Portfolio of investments	-	658,072,774	41,110,896	-	121,997,930	821,181,600
Sales awaiting settlement	-	574,238	-	-	4,737,001	5,311,239
Receivables	48,356	1,111,771	24,153	1,182,922	-	2,367,202
Cash and bank balances	371,634	35,049,358	-	7,529,738	483	42,951,213
Total Assets	<u>419,990</u>	<u>694,808,141</u>	<u>41,135,049</u>	<u>8,712,660</u>	<u>126,735,414</u>	<u>871,811,254</u>
Liabilities						
Purchases awaiting settlement	-	13,495,692	-	-	238,398	13,734,090
Payables	299,560	577,001	3,721	5,579,082	-	6,459,364
Distribution payable	-	908,950	-	-	-	908,950
Total Liabilities	<u>299,560</u>	<u>14,981,643</u>	<u>3,721</u>	<u>5,579,082</u>	<u>238,398</u>	<u>21,102,404</u>
Net Assets	120,430	679,826,498	41,131,328	3,133,578	126,497,016	
Foreign currency contracts (notional value)	<u>74,727,237</u>	<u>(86,683,751)</u>	-	<u>16,689,000</u>	<u>(4,732,486)</u>	
Net currency exposure	<u>74,847,667</u>	<u>593,142,747</u>	<u>41,131,328</u>	<u>19,822,578</u>	<u>121,764,530</u>	

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9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2020

	MYR	USD	JPY	SGD	Others	Total
	\$	\$	\$	\$	\$	\$
Assets						
Portfolio of investments	-	518,703,305	34,726,603	-	87,954,616	641,384,524
Sales awaiting settlement	-	4,090,044	-	-	1,090,002	5,180,046
Receivables	1,549,900	7,968,155	-	2,576,957	-	12,095,012
Cash and bank balances	<u>354,277</u>	<u>5,913,036</u>	<u>-</u>	<u>5,995,425</u>	<u>5</u>	<u>12,262,743</u>
Total Assets	<u>1,904,177</u>	<u>536,674,540</u>	<u>34,726,603</u>	<u>8,572,382</u>	<u>89,044,623</u>	<u>670,922,325</u>
Liabilities						
Purchases awaiting settlement	-	1,409,286	-	-	-	1,409,286
Payables	1,838,825	4,919,365	-	5,482,617	-	12,240,807
Distribution payable	<u>-</u>	<u>342,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,778</u>
Total Liabilities	<u>1,838,825</u>	<u>6,671,429</u>	<u>-</u>	<u>5,482,617</u>	<u>-</u>	<u>13,992,871</u>
Net Assets	65,352	530,003,111	34,726,603	3,089,765	89,044,623	
Foreign currency contracts (notional value)	<u>103,086,872</u>	<u>(113,729,172)</u>	<u>-</u>	<u>10,878,000</u>	<u>(235,700)</u>	
Net currency exposure	<u>103,152,224</u>	<u>416,273,939</u>	<u>34,726,603</u>	<u>13,967,765</u>	<u>88,808,923</u>	

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9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and interest rate risk. Foreign exchange risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Fund's monetary assets and liabilities to changes in foreign exchange movements as at 31 December 2021 and 2020. The analysis is based on the assumptions that the functional currency increased/decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

Currency	2021		2020	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
MYR	3	2,245,430	3	3,094,567
USD	4	2,360,470	4	3,983,519

(ii) Price risk

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

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

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9 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The table below summarises the impact of increases/decreases from the Fund's investments in equities on the Fund's net assets attributable to unitholders at 31 December 2021 and 2020. The analysis is based on the assumption that the index components within the benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Fund's investments moved according to the historical correlation with the index.

Benchmark component	2021		2020	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
MSCI ACWI Healthcare	20	166,707,127	20	142,262,326

(iii) Interest rate risk

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

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds interest bearing securities that expose the Fund to fair value interest rate risk. The Fund holds securities of varying maturities and interest rate sensitivities. Movement in market interest rates will affect the valuation of the Fund's securities by varying degrees. The Fund's policy requires the Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The tables below summarise the Fund's exposure to interest rate risks. They include the Fund's assets and trading liabilities at fair value, categorised by interest rate types.

	Variable rates \$	Fixed rate \$	Non-interest bearing \$	Total \$
As at 31 December 2021				
Assets				
Portfolio of investments	-	5,918,276	815,263,324	821,181,600
Sales awaiting settlement	-	-	5,311,239	5,311,239
Receivables	-	-	2,367,202	2,367,202
Cash and bank balances	42,951,213	-	-	42,951,213
Financial derivatives at fair value	-	-	474,655	474,655
Total Assets	<u>42,951,213</u>	<u>5,918,276</u>	<u>823,416,420</u>	<u>872,285,909</u>
Liabilities				
Purchases awaiting settlement	-	-	13,734,090	13,734,090
Payables	-	-	6,459,364	6,459,364
Distribution payable	-	-	908,950	908,950
Financial derivatives at fair value	-	-	56,364	56,364
Total Liabilities	<u>-</u>	<u>-</u>	<u>21,158,768</u>	<u>21,158,768</u>

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9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	Variable rates \$	Fixed rate \$	Non-interest bearing \$	Total \$
As at 31 December 2020				
Assets				
Portfolio of investments	-	2,841,398	638,543,126	641,384,524
Sales awaiting settlement	-	-	5,180,046	5,180,046
Receivables	-	-	12,095,012	12,095,012
Cash and bank balances	12,262,743	-	-	12,262,743
Financial derivatives at fair value	-	-	2,713,564	2,713,564
Total Assets	<u>12,262,743</u>	<u>2,841,398</u>	<u>658,531,748</u>	<u>673,635,889</u>
Liabilities				
Purchases awaiting settlement	-	-	1,409,286	1,409,286
Payables	-	-	12,240,807	12,240,807
Distribution payable	-	-	342,778	342,778
Financial derivatives at fair value	-	-	472,974	472,974
Total Liabilities	<u>-</u>	<u>-</u>	<u>14,465,845</u>	<u>14,465,845</u>

As at 31 December 2021 and 2020, should interest rates have lowered or risen by the respective basis points ("bps") as disclosed below with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the year would be as follows:

	2021		2020	
	Volatility bps	Net impact to net assets attributable to unitholders \$	Volatility bps	Net impact to net assets attributable to unitholders \$
United Global Healthcare Fund	50	642	50	1,634

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9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain over-the-counter derivative products that use market interest rates as an input. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

(b) Liquidity risk

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

The Fund's investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments.

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9 Financial risk management (continued)

(b) Liquidity risk (continued)

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

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2021			
Purchases awaiting settlement	13,734,090	-	-
Payables	6,459,364	-	-
Distribution payable	908,950	-	-
Financial derivatives at fair value			
- Foreign currency contracts	56,364	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2020			
Purchases awaiting settlement	1,409,286	-	-
Payables	12,240,807	-	-
Distribution payable	342,778	-	-
Financial derivatives at fair value			
- Foreign currency contracts	472,974	-	-

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9 Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the Fund's derivatives financial instruments in a loss position that will be settled on a gross basis into relevant maturity groups based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2021			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	42,508,623	-	-
- outflow	(42,564,987)	-	-

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2020			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	13,943,511	-	-
- outflow	(14,416,485)	-	-

(c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

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9 Financial risk management (continued)

(c) Credit risk (continued)

As such, the Fund does not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Fund does not have a material exposure to group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

The table below analyses the Fund's investments by credit ratings as rated by Moody's expressed as a percentage of net assets attributable to unitholders. The credit ratings are reviewed regularly.

	Debt securities			
	2021		2020	
	Fixed Rate securities	Floating Rate securities	Fixed Rate securities	Floating Rate securities
Aaa	1%	-	-*	-

* denotes amount less than 1%

All transactions in listed securities are settled/paid upon delivery and transacted with approved counterparties using an approved list of brokers that is regularly assessed and updated by the Manager. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

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9 Financial risk management (continued)

(c) Credit risk (continued)

Credit risk also arises from cash and bank balances and derivative positions held with financial institutions. The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2021 and 2020.

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

	Credit rating as at 31 December 2021	Credit rating as at 31 December 2020
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Counterparties of foreign currency contracts		
Australia and New Zealand Banking Group	a+	a+
BNP Paribas	a+	a+
The Hongkong and Shanghai Banking Corporation Limited	n/a*	a+
State Street Bank and Trust Company	aa-	aa-
Northern Trust Company	aa-	aa-
United Overseas Bank Limited	aa-	aa-
JP Morgan Chase Bank NA	aa-	n/a*
CIMB Bank BHD	non-rated	n/a*

* *The Fund has no exposure to the counterparties as at 31 December 2021 or 2020.*

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

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

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9 Financial risk management (continued)

(d) Capital management

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

(e) Fair value estimation

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

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 Financial risk management (continued)

(e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy, the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2021 and 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2021				
Assets				
Portfolio of investments				
- Quoted bonds	-	5,918,276	-	5,918,276
- Quoted equities	815,263,324	-	-	815,263,324
Financial derivatives at fair value	-	474,655	-	474,655
Total	815,263,324	6,392,931	-	821,656,255

Liabilities

Financial derivatives at fair value	-	56,364	-	56,364
Total	-	56,364	-	56,364

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2020				
Assets				
Portfolio of investments				
- Quoted bonds	-	2,841,398	-	2,841,398
- Quoted equities	638,543,126	-	-	638,543,126
Financial derivatives at fair value	-	2,713,564	-	2,713,564
Total	638,543,126	5,554,962	-	644,098,088

Liabilities				
Financial derivatives at fair value	-	472,974	-	472,974
Total	-	472,974	-	472,974

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

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9 Financial risk management (continued)

(e) Fair value estimation (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include government bonds and over-the-counter derivatives.

Except for cash and bank balances which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 31 December 2021 and 2020 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

(f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

Financial assets	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2021						
Derivative financial instruments	474,655	-	474,655	(37,837)	-	436,818
Total	474,655	-	474,655	(37,837)	-	436,818
31 December 2020						
Derivative financial instruments	2,713,564	-	2,713,564	(472,974)	-	2,240,590
Total	2,713,564	-	2,713,564	(472,974)	-	2,240,590

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For the financial year ended 31 December 2021

9 Financial risk management (continued)

(f) Offsetting financial assets and financial liabilities (continued)

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statement of Financial Position	Net amount of financial liabilities set off in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2021						
Derivative financial instruments	56,364	-	56,364	(37,837)	-	18,527
Total	56,364	-	56,364	(37,837)	-	18,527
31 December 2020						
Derivative financial instruments	472,974	-	472,974	(472,974)	-	-
Total	472,974	-	472,974	(472,974)	-	-

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10 Related party transactions

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

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

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

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

	2021	2020
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	42,951,213	12,262,743

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

	2021	2020
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	-	2,933
United Overseas Bank Limited		
Bank charges	81,445	117,413
Interest expense	1,279	-

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11 Financial ratios

	2021	2020
	\$	\$
Class SGD Acc		
Total operating expenses	11,086,306	7,019,798
Average daily net assets value	<u>532,451,293</u>	<u>331,236,515</u>
Expense ratio ¹	<u>2.08%</u>	<u>2.12%</u>
Class USD Dist		
Total operating expenses	1,989,165	1,125,965
Average daily net assets value	<u>96,675,069</u>	<u>52,832,155</u>
Expense ratio ¹	<u>2.06%</u>	<u>2.13%</u>
Class A SGD Acc (Hedged)		
Total operating expenses	314,986	173,240
Average daily net assets value	<u>15,127,467</u>	<u>8,225,230</u>
Expense ratio ¹	<u>2.08%</u>	<u>2.11%</u>
Class A USD Acc		
Total operating expenses	244,670	134,306
Average daily net assets value	<u>11,645,899</u>	<u>6,444,927</u>
Expense ratio ¹	<u>2.10%</u>	<u>2.08%</u>
Class A MYR Acc		
Total operating expenses	563,931	329,218
Average daily net assets value	<u>26,909,204</u>	<u>15,786,539</u>
Expense ratio ¹	<u>2.10%</u>	<u>2.09%</u>
Class A MYR Acc (Hedged)		
Total operating expenses	1,922,369	1,235,745
Average daily net assets value	<u>91,582,723</u>	<u>59,245,677</u>
Expense ratio ¹	<u>2.10%</u>	<u>2.09%</u>

¹ *The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net assets value is based on the daily balances.*

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11 Financial ratios (continued)

	2021	2020
	\$	\$
Lower of total value of purchases or sales	457,240,332	309,179,405
Average daily net assets value	<u>774,391,655</u>	<u>473,771,043</u>
Turnover ratio ²	<u>59.05%</u>	<u>65.26%</u>

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

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