



# United Global Quality Equity Fund

**Interim Report  
31 December 2020**



# **UNITED GLOBAL QUALITY EQUITY FUND**

## **Unaudited Interim Report and Financial Statements**

**For the Financial Period From 1 July 2020 to 31 December 2020**

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## (A) MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of United Global Quality Equity Fund (the "Fund") for the financial period from 1 July 2020 to 31 December 2020.

### (1) Key Data of the Fund

1.1	Fund name	United Global Quality Equity Fund		
1.2	Name of target fund	United Global Quality Growth Fund		
1.3	Fund category	Equity (feeder fund)		
1.4	Fund type	Growth		
1.5	Investment objective	The Fund seeks to provide Long Term (i.e. a period of at least five (5) years) capital appreciation by investing in the United Global Quality Growth Fund ("Target Fund") which invests in equities and equity-related securities of companies listed and traded on stock exchanges globally.		
1.6	Performance benchmark	Morgan Stanley Capital Investment All Country World Index ("MSCI All Country World Index"), which is also the performance benchmark of the Target Fund.		
1.7	Duration	The Fund was launched on 26 September 2016 and shall exist for as long as it appears to the Manager and Trustee that it is in the interests of the unit holders for it to continue. In some circumstances, the unit holders can resolve at a meeting to terminate the Fund.		
1.8	Distribution policy	Subject to the availability of income, distribution is incidental. Distribution declared (if any) will be automatically reinvested into the unit holders’ accounts in the form of additional units in the Fund at no cost.		
1.9	Breakdown of unit holdings by size	<u>MYR hedged Class</u>		
		As at 31 December 2020		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	4	9,069.00
		• 5,001 to 10,000	3	20,469.00
		• 10,001 to 50,000	8	198,888.00
		• 50,001 to 500,000	5	860,305.00
		• 500,001 and above	12	485,099,814.00
		Total	32	486,188,545.00
		<u>USD Class</u>		
		As at 31 December 2020		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	2	4,984.00
		• 5,001 to 10,000	1	6,633.00
		• 10,001 to 50,000	1	30,120.00
		• 50,001 to 500,000	0	0.00
		• 500,001 and above	3	12,388,986.00
		Total	7	12,430,723.00

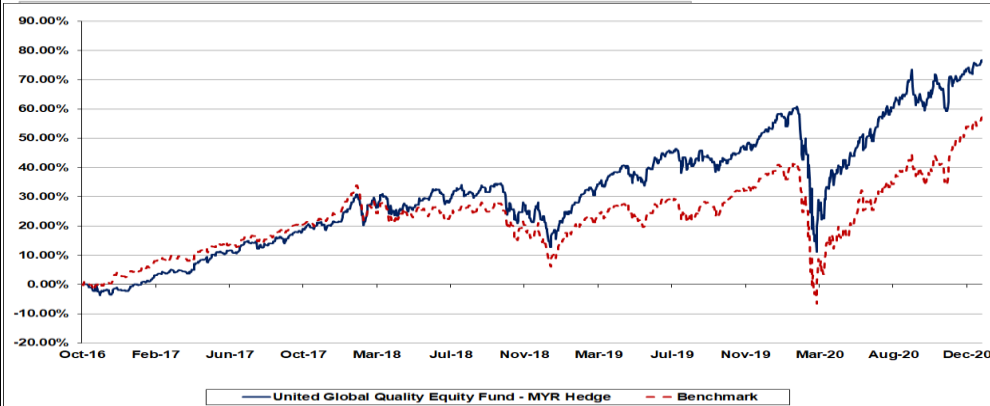
1.9	Breakdown of unit holdings by size (continued)	<u>SGD hedged Class</u>		
		As at 31 December 2020		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	1	1,788.00
		• 5,001 to 10,000	0	0.00
		• 10,001 to 50,000	1	19,809.00
		• 50,001 to 500,000	5	1,077,782.00
		• 500,001 and above	1	8,185,340.00
		<b>Total</b>	<b>8</b>	<b>9,284,719.00</b>
		<u>AUD hedged Class</u>		
		As at 31 December 2020		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	0	0.00
		• 5,001 to 10,000	0	0.00
		• 10,001 to 50,000	0	0.00
		• 50,001 to 500,000	1	228,412.00
		• 500,001 and above	1	14,089,602.00
		<b>Total</b>	<b>2</b>	<b>14,318,014.00</b>

(2) Performance Data of the Fund

2.1	Portfolio composition	Details of portfolio composition of the Fund for the financial period as at 31 December are as follows:			
		Sectors, category of investments & cash holdings	As at 31 December 2020 (%)	As at 31 December 2019 (%)	As at 31 December 2018 (%)
		Foreign collective investment scheme	93.50	96.23	96.12
		Cash	6.50	3.77	3.88
		<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
2.2	Performance details	Performance details of the Fund for the financial period ended 31 December are as follows:			
			Financial period ended 31 December 2020	Financial period ended 31 December 2019	Financial period ended 31 December 2018
		Net Asset Value ("NAV") (RM)			
		- MYR hedged Class	389,094,631	201,870,906	390,223,580
		- USD Class	39,876,026	33,412,669	60,656,720
		- SGD hedged Class	19,408,493	12,831,249	45,142,739
		- AUD hedged Class	25,920,537	4,913,017	--

2.2	Performance details (continued)	NAV per unit in RM			
		- MYR hedged Class	0.8003	0.7411	0.5932
		- USD Class	3.2079	2.9859	2.4278
		- SGD hedged Class	2.0904	1.9559	1.5802
		- AUD hedged Class	1.8103	1.5060	--
		NAV per unit in respective currencies			
		- MYR hedged Class (RM)	0.8003	0.7411	0.5932
		- USD Class (USD)	0.7980	0.7302	0.5878
		- SGD hedged Class (SGD)	0.6874	0.6434	0.5216
		- AUD hedged Class (AUD)	0.5835	0.5242	--
		Units in circulation			
		- MYR hedged Class	486,188,545	272,385,677	657,810,384
		- USD Class	12,430,723	11,190,226	24,984,265
		- SGD hedged Class	9,284,718	6,560,274	28,567,351
		- AUD hedged Class	14,318,014	3,262,189	--
		Highest NAV per unit in respective currencies			
		- MYR hedged Class (RM)	0.8030	0.7453	0.6733
		- USD Class (USD)	0.8006	0.7335	0.6682
		- SGD hedged Class (SGD)	0.6893	0.6467	0.5936
		- AUD hedged Class (AUD)	0.5835	0.5274	--
		Lowest NAV per unit in respective currencies			
		- MYR hedged Class (RM)	0.6996	0.4813	0.4813
		- USD Class (USD)	0.6934	0.4780	0.4780
		- SGD hedged Class (SGD)	0.5987	0.4913	0.4913
		- AUD hedged Class (AUD)	0.5067	0.4833	--
		Total return (%)			
		- MYR hedged Class	16.48	6.79	-7.72
		- USD Class	17.19	6.74	-8.18
		- SGD hedged Class	16.90	6.24	-7.63
		- AUD hedged Class	15.16	--	--
		Capital growth (%)			
		- MYR hedged Class	14.39	4.91	-2.19
		- USD Class	15.09	4.87	3.07
		- SGD hedged Class	14.82	4.38	-1.99
		- AUD hedged Class	15.16	--	--
		Income distribution (%)			
		- MYR hedged Class	2.09	1.88	-5.53
		- USD Class	2.10	1.87	-11.25
		- SGD hedged Class	2.08	1.86	-5.64
		- AUD hedged Class	--	--	--
		Gross distribution (sen per unit) in respective currencies			
		- MYR hedged Class (RM)	1.38 <sup>#</sup>	1.28	--
		- USD Class (USD)	1.38 <sup>#</sup>	1.26	--
		- SGD hedged Class (SGD)	1.18 <sup>#</sup>	1.11	--
		- AUD hedged Class (AUD)	--	--	--

2.2	Performance details (continued)	Net distribution (sen per unit) in respective currencies			
		- MYR hedged Class (RM)	1.38 <sup>#</sup>	1.28	--
		- USD Class (USD)	1.38 <sup>#</sup>	1.26	--
		- SGD hedged Class (SGD)	1.18 <sup>#</sup>	1.11	--
		- AUD hedged Class (AUD)	--	--	--
		Management expense ratio ("MER") (%)	0.93 <sup>1</sup>	0.21	0.21
		Portfolio turnover ratio ("PTR") (times) <sup>1</sup>	0.26 <sup>2</sup>	0.25	0.09
		Notes:			
		<sup>#</sup> Date of distribution is shown in part 2.8 - Income distribution / Unit splits.			
		<sup>1</sup> MER is higher against previous financial period mainly due to increase in expenses.			
		<sup>2</sup> PTR is higher against previous financial year mainly due to higher trading activity.			
		Average total return			
				As at 31 December 2020 (%) (annualized)	
		Since commencement (17 October 2016)			
		- MYR hedged Class		14.49	
		- USD Class		14.41	
		Since commencement (31 July 2017)			
		- SGD hedged Class		12.98	
		Since commencement (20 August 2019)			
		- AUD hedged Class		11.96	
		1 year			
		- MYR hedged Class		16.11	
		- USD Class		17.49	
		- SGD hedged Class		14.88	
		- AUD hedged Class		11.28	
		3 years			
		- MYR hedged Class		13.36	
- USD Class		13.38			
- SGD hedged Class		12.56			
- AUD hedged Class*		--			
Notes:					
* No performance figures shall be shown for periods less than 3 years.					
Annual total return					
		As at 31 December 2020 (%)			
1 July 2019 - 30 June 2020					
- MYR hedged Class		6.49			
- USD Class		7.06			
- SGD hedged Class		4.44			
- AUD hedged Class*		1.34			

2.2	Performance details (continued)	<table><tr><td>1 July 2018 - 30 June 2019</td><td></td></tr><tr><td>- MYR hedged Class</td><td>10.86</td></tr><tr><td>- USD Class</td><td>9.70</td></tr><tr><td>- SGD hedged Class</td><td>10.11</td></tr><tr><td>1 July 2017 - 30 June 2018</td><td></td></tr><tr><td>- MYR hedged Class</td><td>16.05</td></tr><tr><td>- USD Class</td><td>16.29</td></tr><tr><td>- SGD hedged Class</td><td>--</td></tr><tr><td>Since commencement (17 October 2016) - 30 June 2017</td><td></td></tr><tr><td>- MYR hedged Class</td><td>10.78</td></tr><tr><td>- USD Class</td><td>10.12</td></tr><tr><td>Since commencement (31 July 2017) - 30 June 2017</td><td></td></tr><tr><td>- SGD hedged Class</td><td>--</td></tr></table> <p><i>* The AUD hedged Class commenced on 20 August 2019.</i></p> <p><b>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.</b></p>	1 July 2018 - 30 June 2019		- MYR hedged Class	10.86	- USD Class	9.70	- SGD hedged Class	10.11	1 July 2017 - 30 June 2018		- MYR hedged Class	16.05	- USD Class	16.29	- SGD hedged Class	--	Since commencement (17 October 2016) - 30 June 2017		- MYR hedged Class	10.78	- USD Class	10.12	Since commencement (31 July 2017) - 30 June 2017		- SGD hedged Class	--
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2.3	Has the Fund achieved its investment objective?	For the financial period under review, the Fund achieved its investment objective to provide capital appreciation by investing in the Target Fund which invests in equities and equity-related securities of companies listed and traded on stock exchanges globally.																										
2.4	Performance review	<p><u>MYR hedged Class</u></p> <p>For the financial period under review, the Fund registered a return of 16.48% against the benchmark return of 23.12%.</p> <p>For the period under review, the NAV per unit of the Fund increased by 14.39% from RM0.6996 to RM0.8003.</p> <p>The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund to 31 December 2020.</p> <div></div> <p>Source: UOBAM(M) as at 31 December 2020.</p> <table><tr><td></td><td>1-month</td><td>3-months</td><td>6-months</td><td>12-months</td><td>Since commencement (17 Oct 2016)</td></tr><tr><td>The Fund</td><td>3.02%</td><td>7.62%</td><td>16.48%</td><td>16.15%</td><td>76.78%</td></tr><tr><td>Benchmark*</td><td>4.53%</td><td>14.35%</td><td>23.12%</td><td>14.34%</td><td>57.16%</td></tr></table> <p><i>* The benchmark of the Fund is MSCI All Country World Index (available at <a href="http://www.msci.com">www.msci.com</a>).</i></p>		1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)	The Fund	3.02%	7.62%	16.48%	16.15%	76.78%	Benchmark*	4.53%	14.35%	23.12%	14.34%	57.16%								
	1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)																							
The Fund	3.02%	7.62%	16.48%	16.15%	76.78%																							
Benchmark*	4.53%	14.35%	23.12%	14.34%	57.16%																							



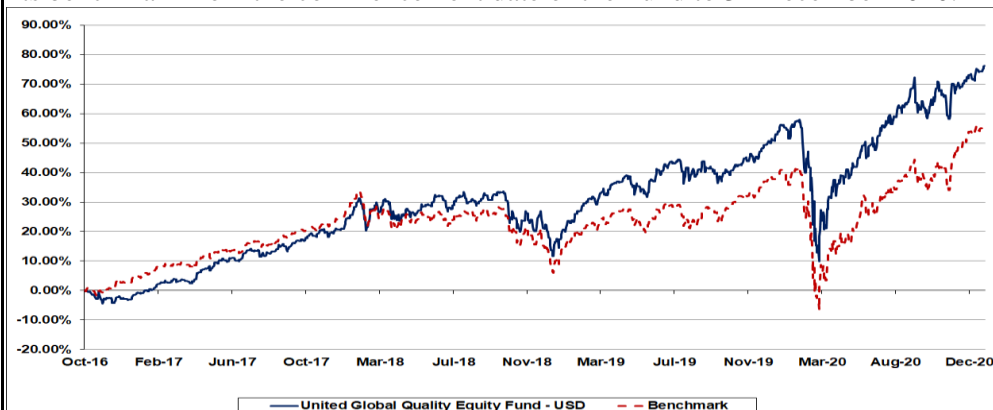
## 2.4 Performance review (continued)

### USD Class

For the financial period under review, the Fund registered a return of 17.19% against the benchmark return of 23.12%.

For the period under review, the NAV per unit of the Fund increased by 15.09% from USD0.6934 to USD0.7980.

The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund to 31 December 2020.



Source: UOBAM(M) as at 31 December 2020.

	1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
<b>The Fund</b>	3.14%	7.89%	17.19%	17.54%	76.26%
<b>Benchmark*</b>	4.53%	14.35%	23.12%	14.34%	57.16%

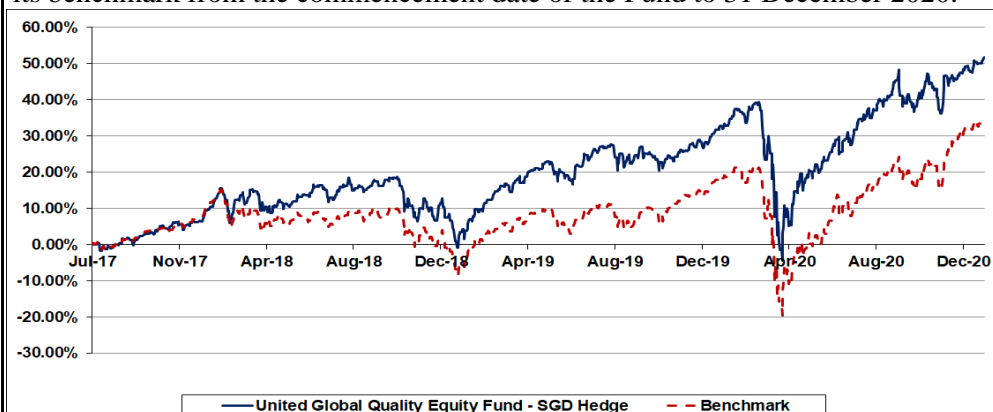
\* The benchmark of the Fund is MSCI All Country World Index (available at [www.msci.com](http://www.msci.com)).

### SGD hedged Class

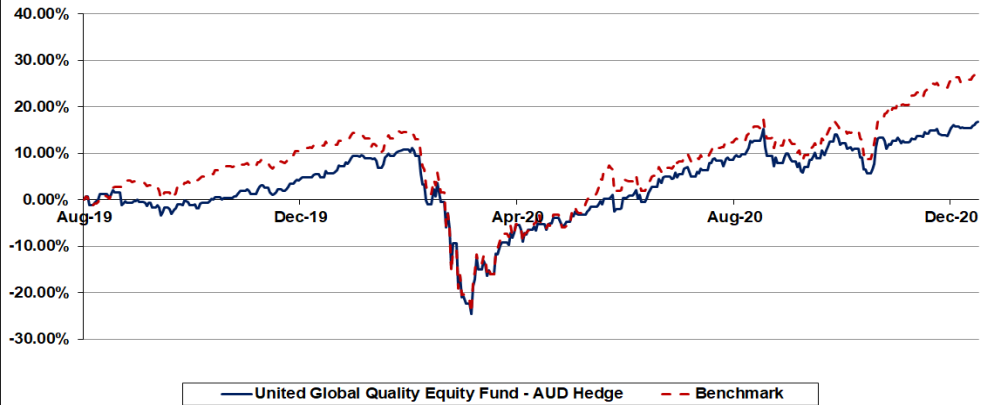
For the financial period under review, the Fund registered a return of 16.90% against the benchmark return of 23.12%.

For the period under review, the NAV per unit of the Fund increased by 14.82% from SGD0.5987 to SGD0.6874.

The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund to 31 December 2020.



Source: UOBAM(M) as at 31 December 2020.

2.4	Performance review (continued)		1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
		The Fund	3.13%	7.85%	16.90%	14.92%	51.84%
		Benchmark*	4.53%	14.35%	23.12%	14.34%	35.32%
		* The benchmark of the Fund is MSCI All Country World Index (available at <a href="http://www.msci.com">www.msci.com</a> ).					
		<u>AUD hedged Class</u>					
		For the financial period under review, the Fund registered a return of 15.16% against the benchmark return of 23.12%.					
		For the period under review, the NAV per unit of the Fund increased by 15.16% from AUD0.5067 to AUD0.5835.					
		The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement date of the Fund 31 December 2020.					
							
		Source: UOBAM(M) as at 31 December 2020.					
2.5	Target Fund performance		1-month	3-months	6-months	12-months	Since commencement (21 Aug 2019)
		The Fund	2.77%	6.89%	15.16%	11.31%	16.70%
		Benchmark*	4.53%	14.35%	23.12%	14.34%	27.57%
		* The benchmark of the Fund is MSCI All Country World Index (available at <a href="http://www.msci.com">www.msci.com</a> ).					
		<b>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.</b>					
		<u>Target Fund performance review</u>					
		The Target Fund underperformed for the six-month period, driven by weak stock selection. Stock selection in consumer discretionary, industrials and information technology detracted the most from relative performance. Sector allocation, a byproduct of their security selection process, contributed to the relative performance. Their overweight to information technology and lack of exposure to energy contributed the most. Regionally, holdings in North America detracted the most from relative results.					
		Source: UOB Asset Management Ltd					

2.5	Target Fund performance (continued)	<div>Target Fund performance data</div> <table><tr><td></td><td>1-month</td><td>3-months</td><td>6-months</td><td>12-months</td><td>Since commencement (21 Oct 2016)</td></tr><tr><td>Target Fund (USD)</td><td>3.37%</td><td>8.57%</td><td>17.61%</td><td>20.10%</td><td>15.84%</td></tr><tr><td>Benchmark (USD)*</td><td>4.64%</td><td>14.68%</td><td>24.01%</td><td>16.25%</td><td>13.35%</td></tr></table> <div>* The benchmark of the Target Fund is MSCI All Country World Index (available at <a href="http://www.msci.com">www.msci.com</a>).</div> <div>Source: UOB Asset Management Ltd, Morningstar</div>		1-month	3-months	6-months	12-months	Since commencement (21 Oct 2016)	Target Fund (USD)	3.37%	8.57%	17.61%	20.10%	15.84%	Benchmark (USD)*	4.64%	14.68%	24.01%	16.25%	13.35%
	1-month	3-months	6-months	12-months	Since commencement (21 Oct 2016)															
Target Fund (USD)	3.37%	8.57%	17.61%	20.10%	15.84%															
Benchmark (USD)*	4.64%	14.68%	24.01%	16.25%	13.35%															
2.6	Strategies and policies employed	<div>Strategies and policies of the Target Fund</div> <p>The Sub-Manager of the Target Fund (i.e. Wellington Management Singapore Pte. Ltd.) initiated a position in American Express. American Express has a strong corporate card business and is exposed to the resumption of pre-COVID activities such as travel and entertainment. The Sub-Manager anticipates seeing incremental improvements month over month as the Sub-Manager emerges from government-imposed shutdowns. American Express ranks attractively in their process for quality, capital returns to shareholders and valuation upside.</p> <p>At the end of the period, their largest overweight was information technology and consumer discretionary, and the Sub-Manager were most underweight to consumer staples and materials. From a regional perspective, their largest overweight was North America and the Sub-Manager were most underweight to Japan.</p> <div>Strategies and policies of the Fund</div> <p>For the financial period under review, the Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund’s NAV in the Target Fund at all times. Accordingly, this Fund will have a passive strategy as all the investment decisions will be made at the Target Fund level.</p> <div>Source: UOB Asset Management Ltd</div>																		
2.7	Asset allocation	<div>This table below shows the asset allocation of the Fund for the financial period as at 31 December:</div> <table><tr><td>Assets</td><td>As at 31 December 2020 (%)</td><td>As at 31 Dec 2019 (%)</td><td>Changes (%)</td></tr><tr><td>Foreign collective investment scheme</td><td>93.50</td><td>96.23</td><td>-2.73</td></tr><tr><td>Cash</td><td>6.50</td><td>3.77</td><td>2.73</td></tr><tr><td>Total</td><td>100.00</td><td>100.00</td><td>--</td></tr></table> <div>Reason for the diffiences in asset allocation</div> <p>As at 31 December 2020, the asset allocation of the Fund stood at 93.50% in foreign collective investment scheme and 6.50% in cash. The Fund’s asset allocation is within its investment objective of investing a minimum of 90% of the Fund’s NAV in the Target Fund.</p>	Assets	As at 31 December 2020 (%)	As at 31 Dec 2019 (%)	Changes (%)	Foreign collective investment scheme	93.50	96.23	-2.73	Cash	6.50	3.77	2.73	Total	100.00	100.00	--		
Assets	As at 31 December 2020 (%)	As at 31 Dec 2019 (%)	Changes (%)																	
Foreign collective investment scheme	93.50	96.23	-2.73																	
Cash	6.50	3.77	2.73																	
Total	100.00	100.00	--																	

2.8	Income distribution/ Unit splits	<p>For the financial year under review, the Fund has declared the following income distribution:</p> <p><u>MYR hedged Class</u></p> <table><tr><th>Distribution Date</th><th>Gross/Net Distribution per unit (RM)</th><th>Cum - NAV per unit (RM)</th><th>Ex - NAV per unit (RM)</th></tr><tr><td>23-Sep-20</td><td>0.0068</td><td>0.7367</td><td>0.7299</td></tr><tr><td>22-Dec-20</td><td>0.0070</td><td>0.7989</td><td>0.7919</td></tr><tr><td><b>Total</b></td><td><b>0.0138</b></td><td>--</td><td>--</td></tr></table> <p><u>USD Class</u></p> <table><tr><th>Distribution Date</th><th>Gross/Net Distribution per unit (USD)</th><th>Cum - NAV per unit (USD)</th><th>Ex - NAV per unit (USD)</th></tr><tr><td>23-Sep-20</td><td>0.0068</td><td>0.7329</td><td>0.7261</td></tr><tr><td>22-Dec-20</td><td>0.0070</td><td>0.7962</td><td>0.7892</td></tr><tr><td><b>Total</b></td><td><b>0.0138</b></td><td>--</td><td>--</td></tr></table> <p><u>SGD hedged Class</u></p> <table><tr><th>Distribution Date</th><th>Gross/Net Distribution per unit (SGD)</th><th>Cum - NAV per unit (SGD)</th><th>Ex - NAV per unit (SGD)</th></tr><tr><td>23-Sep-20</td><td>0.0058</td><td>0.6316</td><td>0.6258</td></tr><tr><td>22-Dec-20</td><td>0.0060</td><td>0.6854</td><td>0.6794</td></tr><tr><td><b>Total</b></td><td><b>0.0118</b></td><td>--</td><td>--</td></tr></table>	Distribution Date	Gross/Net Distribution per unit (RM)	Cum - NAV per unit (RM)	Ex - NAV per unit (RM)	23-Sep-20	0.0068	0.7367	0.7299	22-Dec-20	0.0070	0.7989	0.7919	<b>Total</b>	<b>0.0138</b>	--	--	Distribution Date	Gross/Net Distribution per unit (USD)	Cum - NAV per unit (USD)	Ex - NAV per unit (USD)	23-Sep-20	0.0068	0.7329	0.7261	22-Dec-20	0.0070	0.7962	0.7892	<b>Total</b>	<b>0.0138</b>	--	--	Distribution Date	Gross/Net Distribution per unit (SGD)	Cum - NAV per unit (SGD)	Ex - NAV per unit (SGD)	23-Sep-20	0.0058	0.6316	0.6258	22-Dec-20	0.0060	0.6854	0.6794	<b>Total</b>	<b>0.0118</b>	--	--
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<b>Total</b>	<b>0.0138</b>	--	--																																															
Distribution Date	Gross/Net Distribution per unit (SGD)	Cum - NAV per unit (SGD)	Ex - NAV per unit (SGD)																																															
23-Sep-20	0.0058	0.6316	0.6258																																															
22-Dec-20	0.0060	0.6854	0.6794																																															
<b>Total</b>	<b>0.0118</b>	--	--																																															
2.9	State of affairs	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the financial period under review.																																																
2.10	Rebates and soft commission	<p>It is our policy to pay all rebates to the Fund. Soft commissions received from brokers/dealers are retained by the Manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.</p> <p>During the financial period under review, the Manager had received on behalf of the Fund, soft commissions in the form of fundamental database, financial wire services, technical analysis software and stock quotation system incidental to investment management of the Fund. These soft commissions received by the Manager are deemed to be beneficial to the unit holders of the Fund.</p>																																																
2.11	Market review	<p>For the six-month period ended December 31, 2020, global equities rose more than 17.7% as measured by the MSCI ACWI Index.</p> <p>Global equities rose in the third-quarter. Markets were bolstered by the impact of the massive fiscal and monetary stimulus from governments and central banks, further signs of a recovery in global economic growth, and the potential for COVID-19 vaccines in the near future. The European Union ("EU") reached an agreement on a €750 billion recovery fund to aid countries in the region that have been most severely impacted by the pandemic. The United States of America ("U.S.") grappled with political uncertainty ahead of the upcoming presidential election and the lack of additional fiscal stimulus.</p>																																																

2.11	<b>Market review (continued)</b>	<p>Equities continued to rise in the fourth quarter. Two COVID-19 vaccines demonstrated high efficacy rates in Phase 3 trials, fuelling optimism that the pandemic could be alleviated in the near term. In the U.S., infections hit record highs, while the government agreed on a pandemic relief plan that will extend many of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act support measures. The European Central Bank ("ECB") expanded its massive monetary stimulus program by €500 billion, as a new lockdown measures weighed on the eurozone's economic recovery. The United Kingdom ("UK") and the EU agreed to a trade deal, setting the terms for a post-Brexit future, and ending four years of political negotiations since the UK's 2016 referendum on EU membership.</p> <p><i>Source: UOB Asset Management Ltd</i></p>
2.12	<b>Market outlook</b>	<p>The Sub-Manager are optimistic about the high efficacy rates of the COVID vaccines and the potential for a resumption of pre-COVID activities once they have been administered to the broader population. In addition, the results of the U.S. presidential election were seen as a positive by investors given Biden is likely to govern from the centre and tail risks associated with a "blue wave" did not materialize. The resulting market rally was primarily driven by higher beta, value stocks that stand to benefit from an uptick in global growth. During market environments such as these, the Global Quality Growth approach may lag due to their focus on high quality, growth companies.</p> <p>Their macroeconomics team continues to observe a rebound in the Global Cycle Index. The Sub-Manager anticipates healthy global GDP growth in 2021 as economies start to reopen and consumers increase spending on travel, experiences, luxury products and services outside the home. In addition, the Sub-Manager believes substantial expansionary fiscal policy measures will continue, and will provide meaningful stimulus to the global economy. The Sub-Manager also expects monetary policy will remain accommodative due to a lack of inflationary pressure.</p> <p>In this environment, given their expectation for sustained low interest rate levels and increased discretionary spending, the Sub-Manager have shifted their four factors, overweighting Valuation Upside and Growth to 30% and underweight Quality and Capital Returns to 20% each. The Sub-Manager have initiated positions in more cyclically oriented companies, and believe this change in positioning will best position the portfolio to take advantage of an improving macroeconomic environment.</p> <p><i>Source: UOB Asset Management Ltd</i></p>

Kuala Lumpur, Malaysia  
UOB Asset Management (Malaysia) Berhad

25 February 2021

## **(B) TRUSTEE’S REPORT**

### **TO THE UNIT HOLDERS OF UNITED GLOBAL QUALITY EQUITY FUND**

We have acted as Trustee for United Global Quality Equity Fund (“the Fund”) for the financial period ended 31 December 2020. To the best of our knowledge, for the financial period under review, UOB Asset Management (Malaysia) Berhad (“the Manager”) has operated and managed the Fund in accordance with the following:

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

We are of the view that the distributions made during this financial period ended 31 December 2020 by the Manager are not inconsistent with the objective of the Fund.

For TMF Trustees Malaysia Berhad  
(Company No: 200301008392 / 610812-W)

**Norhayati Binti Azit**  
Director - Fund Services

Kuala Lumpur, Malaysia  
25 February 2021

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **(C) STATEMENT BY MANAGER**

We, **Lim Suet Ling** and **Seow Lun Hoo**, being two of the directors of UOB Asset Management (Malaysia) Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 14 to 46 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of **United Global Quality Equity Fund** as at 31 December 2020 and of its financial performance, changes in net asset value and cash flows for the financial period then ended and comply with requirements of the Deed(s).

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

**LIM SUET LING**  
Executive Director/  
Chief Executive Officer

**SEOW LUN HOO**  
Director

Kuala Lumpur, Malaysia  
25 February 2021

# UNITED GLOBAL QUALITY EQUITY FUND

## (D) FINANCIAL STATEMENTS

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31.12.2020 RM	30.06.2020 RM
<b>ASSETS</b>			
Investments	3	442,327,790	369,443,300
Forward foreign currency contracts	4	1,993,114	4,454,050
Amount due from Manager	5	2,614,067	13,836,290
Other receivables		7,599	-
Cash at banks		27,408,927	20,525,031
<b>TOTAL ASSETS</b>		<b>474,351,497</b>	<b>408,258,671</b>
<b>LIABILITIES</b>			
Amount due to Target Fund Manager		-	11,989,600
Amount due to Trustee	6	15,663	12,028
Accruals		36,147	29,493
<b>TOTAL LIABILITIES</b>		<b>51,810</b>	<b>12,031,121</b>
<b>UNITHOLDERS' EQUITY</b>			
Unitholders' capital	7	339,190,460	320,100,217
Retained earnings	7	135,109,227	76,127,333
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS</b>	7	<b>474,299,687</b>	<b>396,227,550</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>474,351,497</b>	<b>408,258,671</b>
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>			
- AUD HEDGED CLASS		25,920,537	23,124,759
- MYR HEDGED CLASS		389,094,631	321,973,454
- SGD HEDGED CLASS		19,408,493	17,594,597
- USD CLASS		39,876,026	33,534,740
		<b>474,299,687</b>	<b>396,227,550</b>

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



**UNITED GLOBAL QUALITY EQUITY FUND****UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2020**

	Note	31.12.2020 RM	30.06.2020 RM
<b>UNITS IN CIRCULATION</b>			
- AUD HEDGED CLASS	7(a)	14,318,014	15,481,932
- MYR HEDGED CLASS	7(b)	486,188,545	460,201,396
- SGD HEDGED CLASS	7(c)	9,284,718	9,575,183
- USD CLASS	7(d)	12,430,723	11,294,880
<b>NET ASSET VALUE PER UNIT IN MYR</b>			
- AUD HEDGED CLASS		1.8103	1.4937
- MYR HEDGED CLASS		0.8003	0.6996
- SGD HEDGED CLASS		2.0904	1.8375
- USD CLASS		3.2079	2.9690
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD HEDGED CLASS (AUD)		0.5835	0.5067
- MYR HEDGED CLASS (MYR)		0.8003	0.6996
- SGD HEDGED CLASS (SGD)		0.6874	0.5987
- USD CLASS (USD)		0.7980	0.6934

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

# UNITED GLOBAL QUALITY EQUITY FUND

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Note	01.07.2020 to 31.12.2020 RM	01.07.2019 to 31.12.2019 RM
<b>INVESTMENT INCOME</b>			
Dividend income		7,024,235	5,311,271
Interest income from deposits with a licensed financial institution		35,568	38,365
Net gain on investments at fair value through profit or loss ("FVTPL"):	3		
- net realised gain on sale of investments at FVTPL		16,181,883	20,387,502
- net unrealised gain/(loss) on changes in fair value	7(f)	23,016,488	(9,295,124)
Net realised gain/(loss) on foreign currency exchange		454,008	(112,928)
Net unrealised loss on foreign currency exchange	7(f)	(398)	(124,728)
Net realised gain on forward foreign currency contracts		26,130,438	2,031,520
Net unrealised loss on forward foreign currency contracts	7(f)	(2,460,936)	(134,921)
		<u>70,381,286</u>	<u>18,100,957</u>
<b>EXPENSES</b>			
Manager's fee	8	3,840,018	489,211
Trustee's fee	9	85,334	54,921
Auditors' remuneration		4,688	4,675
Tax agent's fee		1,965	1,961
Other expenses		19,638	16,331
		<u>3,951,643</u>	<u>567,099</u>
<b>NET INCOME BEFORE TAXATION</b>		66,429,643	17,533,858
Tax expense	10	-	-
<b>NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>66,429,643</u>	<u>17,533,858</u>
Net income after taxation is made up of the following:			
Realised amount	7(e)	45,874,489	27,088,631
Unrealised amount	7(f)	20,555,154	(9,554,773)
		<u>66,429,643</u>	<u>17,533,858</u>
Distributions for the financial period	11	<u>7,447,749</u>	<u>4,478,824</u>

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

# UNITED GLOBAL QUALITY EQUITY FUND

## UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2019		276,780,216	78,364,255	355,144,471
Movement in net asset value:				
Total comprehensive income for the financial period		-	17,533,858	17,533,858
Creation of units				
- AUD HEDGED CLASS	7(a)	6,054,324	-	6,054,324
- MYR HEDGED CLASS	7(b)	68,174,753	-	68,174,753
- SGD HEDGED CLASS	7(c)	3,578,434	-	3,578,434
- USD CLASS	7(d)	5,306,171	-	5,306,171
Reinvestment of units				
- MYR HEDGED CLASS	7(b)	3,646,794	-	3,646,794
- SGD HEDGED CLASS	7(c)	221,492	-	221,492
- USD CLASS	7(d)	610,538	-	610,538
Cancellation of units				
- AUD HEDGED CLASS	7(a)	(1,392,093)	-	(1,392,093)
- MYR HEDGED CLASS	7(b)	(167,834,687)	-	(167,834,687)
- SGD HEDGED CLASS	7(c)	(13,833,263)	-	(13,833,263)
- USD CLASS	7(d)	(19,704,127)	-	(19,704,127)
Distributions	11	-	(4,478,824)	(4,478,824)
Balance as at 31 December 2019		161,608,552	91,419,289	253,027,841

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

# UNITED GLOBAL QUALITY EQUITY FUND

## UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE (CONTINUED) FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2020		320,100,217	76,127,333	396,227,550
Movement in net asset value:				
Total comprehensive income for the financial period		-	66,429,643	66,429,643
Creation of units				
- AUD HEDGED CLASS	7(a)	23,246,935	-	23,246,935
- MYR HEDGED CLASS	7(b)	356,527,704	-	356,527,704
- SGD HEDGED CLASS	7(c)	17,163,124	-	17,163,124
- USD CLASS	7(d)	17,602,868	-	17,602,868
Reinvestment of units				
- MYR HEDGED CLASS	7(b)	6,470,662	-	6,470,662
- SGD HEDGED CLASS	7(c)	314,950	-	314,950
- USD CLASS	7(d)	662,137	-	662,137
Cancellation of units				
- AUD HEDGED CLASS	7(a)	(25,455,474)	-	(25,455,474)
- MYR HEDGED CLASS	7(b)	(344,786,026)	-	(344,786,026)
- SGD HEDGED CLASS	7(c)	(17,943,206)	-	(17,943,206)
- USD CLASS	7(d)	(14,713,431)	-	(14,713,431)
Distributions	11	-	(7,447,749)	(7,447,749)
Balance as at 31 December 2020		339,190,460	135,109,227	474,299,687

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

**UNITED GLOBAL QUALITY EQUITY FUND****UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	<b>01.07.2020 to 31.12.2020 RM</b>	<b>01.07.2019 to 31.12.2019 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	94,845,539	127,798,930
Purchase of investments	(140,528,880)	(10,853,220)
Dividend received	7,024,235	5,311,271
Interest received from deposits with a licensed financial institution	35,568	38,365
Manager's fee paid	(3,676,458)	(521,079)
Trustee's fee paid	(81,699)	(59,125)
Auditors' remuneration paid	-	(9,807)
Payment of other fees and expenses	(19,637)	(21,383)
Net realised gain/(loss) on foreign currency exchange	454,008	(112,928)
Net realised gain on forward foreign currency contracts	26,130,438	2,031,520
Net cash (used in)/generated from operating and investing activities	<u>(15,816,886)</u>	<u>123,602,544</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	422,752,567	83,380,983
Payment for cancellation of units	(400,051,785)	(214,700,727)
Net cash generated from/(used in) financing activities	<u>22,700,782</u>	<u>(131,319,744)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	6,883,896	(7,717,200)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>20,525,031</u>	<u>14,204,856</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>27,408,927</u>	<u>6,487,656</u>
Cash and cash equivalents comprise the following:		
Cash at banks	<u>27,408,927</u>	<u>6,487,656</u>

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

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

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

The financial statements were authorised for issue by the Manager on 25 February 2021.

#### **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”) and International Financial Reporting Standards (“IFRS”).

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

##### **2.2 Changes in accounting policies**

###### *Standards issued and effective*

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

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies

##### (a) Financial instruments

###### *Classification*

In accordance with MFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

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

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

###### *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 assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The Fund includes in this category amount due from Manager and bank balances.

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (a) Financial instruments (continued)

###### *Financial assets (continued)*

##### (ii) Financial assets measured 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 debt instruments which include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

###### *Financial liabilities*

##### (i) Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading.

##### (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.



## UNITED GLOBAL QUALITY EQUITY FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (a) Financial instruments (continued)

###### *Impairment of financial assets*

Other than deposits with a licensed financial institution, 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.

##### (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 weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

##### (c) Derivative financial instruments

Derivatives are financial assets or liabilities at fair value through profit or loss 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.

##### (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.

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **2.3 Summary of significant accounting policies (continued)**

**(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**

Unitholders' capital of the Fund meets the definition of puttable instruments classified as equity instruments under the revised MFRS 132 Financial Instruments: Presentation and is classified as equity instruments. Any distribution to unitholders are recorded as reduction from retained earnings within equity.

**(g) Distribution of income**

Distribution of income is made at the discretion of the Manager. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the period in which it is approved.

**(h) Cash and cash equivalents**

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

**(i) Income recognition**

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

Interest income from deposits with a licensed financial institution is recognised using the effective interest method.

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **2.3 Summary of significant accounting policies (continued)**

**(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.

**(m) Significant accounting estimates and judgments**

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

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

## UNITED GLOBAL QUALITY EQUITY FUND

### 3. INVESTMENTS

	31.12.2020 RM	30.06.2020 RM
Investments designated as FVTPL:		
- foreign collective investment schemes	442,327,790	369,443,300
	<b>01.07.2020 to 31.12.2020 RM</b>	<b>01.07.2019 to 31.12.2019 RM</b>
Net gain on investments at FVTPL comprised:		
- net realised gain on sale of investments at FVTPL	16,181,883	20,387,502
- net unrealised gain/(loss) on changes in fair value	23,016,488	(9,295,124)
	<u>39,198,371</u>	<u>11,092,378</u>

Investments designated as FVTPL as at 31 December 2020 are as follows:

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
<b>COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
United Global Quality Growth Fund - USD Distribution Class ("Target Fund")	79,560,223	371,955,011	442,327,790	93.26
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>		<u>371,955,011</u>	<u>442,327,790</u>	<u>93.26</u>
<b>EXCESS OF FAIR VALUE OVER COST: - UNREALISED GAIN ON FAIR VALUE</b>			<u>70,372,779</u>	
<b>TOTAL INVESTMENTS AT FVTPL</b>			<u>442,327,790</u>	

## UNITED GLOBAL QUALITY EQUITY FUND

### 4. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 12 (30.06.2020: 21) forward foreign currency contracts outstanding.

The notional principal amount of the outstanding forward foreign currency contracts amounted to RM375,954,204 (30.06.2020: RM309,596,570).

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

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

### 5. AMOUNT DUE FROM MANAGER

	31.12.2020 RM	30.06.2020 RM
Creation of units	6,977,307	15,190,755
Cancellation of units	(3,658,405)	(813,190)
Manager's fee payable	(704,835)	(541,275)
	<u>2,614,067</u>	<u>13,836,290</u>

The normal credit period for the Manager's fee payable is one month.

### 6. AMOUNT DUE TO TRUSTEE

	31.12.2020 RM	30.06.2020 RM
Trustee's fee payable	<u>15,663</u>	<u>12,028</u>

Amount due to Trustee represents Trustee's fee payable.

The normal credit period for the Manager's fee payable is one month.

## UNITED GLOBAL QUALITY EQUITY FUND

### 7. UNITHOLDERS' EQUITY

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.

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

Due to multiple Classes of Units in the Fund, the income and/or expenses for the Fund are apportioned by using the multi-class ratio, which is based on the value of the Class of Units of the Fund (quoted in the base currency) relative to the value of the whole Fund (quoted in the base currency). As at 31 December 2020, the multi-class ratio used in apportionment for AUD Hedged Class is 5.47 (30.06.2020: 5.86), MYR Hedged Class is 82.04 (30.06.2020: 81.07), SGD Hedged Class is 4.09 (30.06.2020: 4.50) and USD Class is 8.41 (30.06.2020: 8.57).

Net asset value attributable to unitholders is represented by:

	Note	31.12.2020 RM	30.06.2020 RM
Unitholders' capital			
- AUD HEDGED CLASS	(a)	20,012,097	22,220,636
- MYR HEDGED CLASS	(b)	282,055,164	263,842,824
- SGD HEDGED CLASS	(c)	11,637,378	12,102,510
- USD CLASS	(d)	25,485,821	21,934,247
		<u>339,190,460</u>	<u>320,100,217</u>
Retained earnings			
- Realised gain	(e)	62,742,222	24,315,482
- Unrealised gain	(f)	72,367,005	51,811,851
		<u>135,109,227</u>	<u>76,127,333</u>
Total equity, representing NAV attributable to unitholders		<u>474,299,687</u>	<u>396,227,550</u>

## UNITED GLOBAL QUALITY EQUITY FUND

### 7. UNITHOLDERS' EQUITY (CONTINUED)

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

	Units	31.12.2020 RM	Units	30.06.2020 RM
At the beginning of the financial period/year	15,481,932	22,220,636	-	-
Creation of units during financial period/year	14,190,897	23,246,935	18,670,299	26,525,924
Reinvestment of units during the financial period/year	-	-	-	-
Cancellation of units during the financial period/year	(15,354,815)	(25,455,474)	(3,188,367)	(4,305,288)
At the end of the financial period/year	14,318,014	20,012,097	15,481,932	22,220,636

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2020 (30.06.2020: Nil).

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

	Units	31.12.2020 RM	Units	30.06.2020 RM
At the beginning of the financial period/year	460,201,396	263,842,824	406,389,411	224,710,438
Creation of units during financial period/year	469,086,214	356,527,704	461,679,858	328,906,897
Reinvestment of units during the financial period/year	8,505,611	6,470,662	27,600,480	18,931,689
Cancellation of units during the financial period/year	(451,604,676)	(344,786,026)	(435,468,353)	(308,706,200)
At the end of the financial period/year	486,188,545	282,055,164	460,201,396	263,842,824

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2020 (30.06.2020: Nil).

## UNITED GLOBAL QUALITY EQUITY FUND

### 7. UNITHOLDERS' EQUITY (CONTINUED)

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

	Units	31.12.2020 RM	Units	30.06.2020 RM
At the beginning of the financial period/year	9,575,183	12,102,510	11,848,956	16,539,396
Creation of units during financial period/year	8,595,971	17,163,124	7,817,599	14,444,283
Reinvestment of units during the financial period/year	159,127	314,950	573,441	1,039,209
Cancellation of units during the financial period/year	(9,045,563)	(17,943,206)	(10,664,813)	(19,920,378)
At the end of the financial period/year	<u>9,284,718</u>	<u>11,637,378</u>	<u>9,575,183</u>	<u>12,102,510</u>

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2020 (30.06.2020: Nil).

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

	Units	31.12.2020 RM	Units	30.06.2020 RM
At the beginning of the financial period/year	11,294,880	21,934,247	15,914,614	35,530,382
Creation of units during financial period/year	5,596,129	17,602,868	4,685,943	13,699,228
Reinvestment of units during the financial period/year	212,835	662,137	813,453	2,345,256
Cancellation of units during the financial period/year	(4,673,121)	(14,713,431)	(10,119,130)	(29,640,619)
At the end of the financial period/year	<u>12,430,723</u>	<u>25,485,821</u>	<u>11,294,880</u>	<u>21,934,247</u>

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 December 2020 (30.06.2020: Nil).



# UNITED GLOBAL QUALITY EQUITY FUND

## 7. UNITHOLDERS' EQUITY (CONTINUED)

### (e) RETAINED EARNINGS - REALISED

	31.12.2020 RM	30.06.2020 RM
At the beginning of the financial period	24,315,482	21,460,120
Total comprehensive income for the financial period/year	66,429,643	20,079,232
Net unrealised loss/(gain) attributable to investments held transferred to unrealised reserve	(20,555,154)	5,092,284
Distributions for the financial period/year	(7,447,749)	(22,316,154)
Net increase in realised reserve for the financial period/year	38,426,740	2,855,362
At the end of the financial period/year	62,742,222	24,315,482

### (f) RETAINED EARNINGS - UNREALISED

	31.12.2020 RM	30.06.2020 RM
At the beginning of the financial period/year	51,811,851	56,904,135
Net unrealised gain/(loss) attributable to investments and others held transferred to unrealised reserve		
- Investments at FVTPL	23,016,488	(6,626,822)
- Forward foreign currency contracts	(2,460,936)	1,657,116
- Foreign currency exchange	(398)	(122,578)
	20,555,154	(5,092,284)
At the end of the financial period/year	72,367,005	51,811,851

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **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% (30.06.2020: 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 1.80% (30.06.2020: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

As the Fund is investing in the Target Fund, the Target Fund Manager's fee is charged at 1.50% (30.06.2020: 1.50%) per annum of the net asset value of the Target Fund. There will be no double charging of annual management fee.

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% (30.06.2020: 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 per annum (excluding foreign custodian fee and charges).

The Trustee's fee provided in the financial statements is 0.06% (from 17 October 2016 to 31 December 2018) and 0.04% (from 1 January 2019 to 31 December 2020) (30.06.2020: 0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

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

## UNITED GLOBAL QUALITY EQUITY FUND

### 10. INCOME TAX EXPENSE

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

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

	<b>01.07.2020 to 31.12.2020 RM</b>	<b>01.07.2019 to 31.12.2019 RM</b>
Net income before taxation	66,429,643	17,533,858
Taxation at Malaysian statutory rate of 24%	15,943,114	4,208,126
Tax effects of:		
Income not subject to tax	(21,680,396)	(6,664,478)
Loss not deductible for tax purposes	4,788,888	2,320,248
Restriction on tax deductible expenses for unit trust funds	922,729	118,533
Expenses not deductible for tax purposes	25,665	17,571
Tax expense for the financial period	-	-

### 11. DISTRIBUTIONS

Distributions to unitholders are derived from the following sources:

	<b>01.07.2020 to 31.12.2020 RM</b>	<b>01.07.2019 to 31.12.2019 RM</b>
Previous financial year's realised income	11,399,392	5,045,923
Less:		
Expenses	3,951,643	567,099
Net distributable amount	15,351,035	5,613,022

## UNITED GLOBAL QUALITY EQUITY FUND

### 11. DISTRIBUTIONS (CONTINUED)

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

Distributions Ex-date	Reinvestment settlement date	Distributions per unit RM	Total distributions RM	
<u>MYR HEDGED CLASS</u>				
23 September 2020	24 September 2020	0.0068		3,118,919
22 December 2020	23 December 2020	0.0070		3,351,744
		<u>0.0138</u>		<u>6,470,663</u>
		<b>SGD</b>	<b>SGD</b>	<b>RM</b>
<u>SGD HEDGED CLASS</u>				
23 September 2020	24 September 2020	0.0058	49,855	151,017
22 December 2020	23 December 2020	0.0060	53,986	163,933
		<u>0.0118</u>	<u>103,841</u>	<u>314,950</u>
		<b>USD</b>	<b>USD</b>	<b>RM</b>
<u>USD CLASS</u>				
23 September 2020	24 September 2020	0.0068	75,651	314,102
22 December 2020	23 December 2020	0.0070	85,744	348,034
		<u>0.0138</u>	<u>161,395</u>	<u>662,136</u>

### 12. TRANSACTIONS WITH INVESTMENT MANAGER OF THE TARGET FUND

Details of transactions with Investment Manager of the Target Fund for the financial period ended 31 December 2020 are as follows:

<b>Investment Manager of the Target Fund</b>	<b>Value of trade RM</b>	<b>Percentage of total trade %</b>
UOB Asset Management Ltd, Singapore*	<u>223,392,442</u>	<u>100.00</u>

\*A financial institution related to the Manager.

The Directors of the Manager are of the opinion that any transactions with the related party are entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with the related party are transacted at arm's length basis.

## UNITED GLOBAL QUALITY EQUITY FUND

### 13. MANAGEMENT EXPENSE RATIO (“MER”)

	<b>01.07.2020 to 31.12.2020</b>	<b>01.07.2019 to 31.12.2019</b>
	<b>%</b>	<b>%</b>
Manager’s fee*	0.91	0.18
Trustee’s fee	0.02	0.02
Other expenses	-	0.01
Total MER	<u>0.93</u>	<u>0.21</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.

### 14. PORTFOLIO TURNOVER RATIO (“PTR”)

	<b>01.07.2020 to 31.12.2020</b>	<b>01.07.2019 to 31.12.2019</b>
PTR (times)	<u>0.26</u>	<u>0.25</u>

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

## UNITED GLOBAL QUALITY EQUITY FUND

### 15. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

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

- (i) the Fund's investments, comprising collective investment schemes, are classified as financial asset at FVTPL which are measured at fair value;
- (ii) the Fund's other financial assets, comprising amount due from Manager and cash at banks, are classified as financial assets which are measured at amortised cost;
- (iii) the Fund's financial liabilities, comprising amount due to Manager and amount due to Trustee, are classified as other financial liabilities which are measured at amortised cost; and
- (iv) the Fund's forward foreign currency contracts are derivatives which are measured at FVTPL.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Derivatives at FVTPL RM	Total RM
<b>31.12.2020</b>					
<b>Financial Assets</b>					
Investments	442,327,790	-	-	-	442,327,790
Forward foreign currency contracts	-	-	-	1,993,114	1,993,114
Amount due from Manager	-	2,614,067	-	-	2,614,067
Other receivable	-	7,599	-	-	7,599
Cash at banks	-	27,408,927	-	-	27,408,927
Total financial assets	442,327,790	30,030,593	-	1,993,114	474,351,497
<b>Financial Liabilities</b>					
Amount due to Trustee	-	-	15,663	-	15,663
Total financial liability	-	-	15,663	-	15,663

## UNITED GLOBAL QUALITY EQUITY FUND

### 15. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments (continued)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Derivatives at FVTPL RM	Total RM
<b>30.06.2020</b>					
<b>Financial Assets</b>					
Investments	369,443,300	-	-	-	369,443,300
Forward foreign currency contracts	-	-	-	4,454,050	4,454,050
Amount due from Manager	-	13,836,290	-	-	13,836,290
Cash at banks	-	20,525,031	-	-	20,525,031
Total financial assets	<u>369,443,300</u>	<u>34,361,321</u>	<u>-</u>	<u>4,454,050</u>	<u>408,258,671</u>
<b>Financial Liabilities</b>					
Amount due to Target Fund Manager	-	-	11,989,600	-	11,989,600
Amount due to Trustee	-	-	12,028	-	12,028
Total financial liabilities	<u>-</u>	<u>-</u>	<u>12,001,628</u>	<u>-</u>	<u>12,001,628</u>

#### (b) Financial instruments that are carried at fair value

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

## UNITED GLOBAL QUALITY EQUITY FUND

### 15. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial instruments that are carried at fair value (continued)

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
<b>31.12.2020</b>				
<b>Financial instruments</b>				
Investments	-	442,327,790	-	442,327,790
Forward foreign currency contracts	-	1,993,114	-	1,993,114
Total financial instruments	-	444,320,904	-	444,320,904
<b>30.06.2020</b>				
<b>Financial instruments</b>				
Investments	-	369,443,300	-	369,443,300
Forward foreign currency contracts	-	4,454,050	-	4,454,050
Total financial instruments	-	373,897,350	-	373,897,350



## UNITED GLOBAL QUALITY EQUITY FUND

### 15. FINANCIAL INSTRUMENTS (CONTINUED)

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

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

- Amount due from Manager
- Other receivables
- Cash at banks
- Amount due to Trustee

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

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

**(a) Market risk**

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

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

	<b>31.12.2020</b>	<b>30.06.2020</b>
	<b>RM</b>	<b>RM</b>
Investments at FVTPL	<u>442,327,790</u>	<u>369,443,300</u>

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Market risk (continued)

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

	Change in price of investments %	Market value RM	Impact on net income after taxation and net asset value RM
<b>31.12.2020</b>			
	-5	420,211,400	(22,116,390)
	0	442,327,790	-
	5	464,444,180	22,116,390
<b>30.06.2020</b>			
	-5	350,971,135	(18,472,165)
	0	369,443,300	-
	5	387,915,465	18,472,165

#### (b) Manager risk

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

#### (c) Inflation risk

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

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Non-compliance risk

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

#### (e) Credit risk

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

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

Analysis by rating agency designation are as follows:

	Cash at banks RM	Forward foreign currency contracts RM	Total RM	As a percentage of net asset value %
<b>31.12.2020</b>				
<b>Financial institutions:</b>				
- AA1	27,408,927	-	27,408,927	5.78
- AA3	-	-	-	-
- AAA	-	1,993,114	1,993,114	0.42
	<u>27,408,927</u>	<u>1,993,114</u>	<u>29,402,041</u>	<u>6.20</u>

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (e) Credit risk (continued)

30.06.2020

**Financial institutions:**

- AA1	20,525,031	-	20,525,031	5.18
- AA3	-	1,697,430	1,697,430	0.43
- AAA	-	2,756,620	2,756,620	0.70
	<u>20,525,031</u>	<u>4,454,050</u>	<u>24,979,081</u>	<u>6.31</u>

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

#### (f) Passive strategy risk

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

#### (g) Currency risk

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

##### For the AUD Hedged Class

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

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (e) Currency risk (continued)

##### For the MYR Hedged Class

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

##### For the SGD Hedged Class

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

##### For the USD Class

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

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

	<b>31.12.2020</b>	<b>30.06.2020</b>
	<b>RM</b>	<b>RM</b>
<u>AUD</u>		
Forward foreign currency contracts	366,280	781,550
Amount due from Manager	(91,618)	429,062
Cash at bank	46,444	1,438,055
	<u>321,106</u>	<u>2,648,667</u>

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (e) Currency risk (continued)

	31.12.2020 RM	30.06.2020 RM
<u>SGD</u>		
Forward foreign currency contracts	55,238	185,296
Amount due from Manager	731,606	311,491
Other receivables	7,599	-
Cash at bank	81,857	1,978,980
	<u>876,300</u>	<u>2,475,767</u>
<u>USD</u>		
Investments at FVTPL	442,327,790	369,443,300
Amount due to Target Fund Manager	-	(11,989,600)
Amount due from Manager	224,919	73,310
Cash at bank	2,048,094	396,806
	<u>444,600,803</u>	<u>357,923,816</u>

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

	Change in foreign exchange rate %	Impact in income after tax/net asset value RM
<b>31.12.2020</b>		
AUD	+5	16,055
	-5	(16,055)

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (g) Currency risk (continued)

	Change in foreign exchange rate %	Impact in income after tax/net asset value RM
<b>31.12.2020 (continued)</b>		
SGD	+5	43,815
	-5	(43,815)
USD	+5	22,230,040
	-5	(22,230,040)
<b>30.06.2020</b>		
AUD	+5	132,433
	-5	(132,433)
SGD	+5	123,788
	-5	(123,788)
USD	+5	17,896,191
	-5	(17,896,191)

#### (h) Liquidity risk

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

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

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

#### **(g) Liquidity risk (continued)**

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

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

### **17. CAPITAL MANAGEMENT**

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

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

### **18. SUBSEQUENT EVENT**

The COVID-19 pandemic has significantly disrupted many business operations around the world. For the Fund, the impact on business operations has not been a direct consequence of the COVID-19 outbreak, but a result of the measures taken by the Government of Malaysia to contain it. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on business and the economy.

The management is currently assessing the potential business and financial impact, but fully expects that the Fund has sufficient capital and resilience to weather the impact of COVID-19 on its business.



## **(E) CORPORATE INFORMATION**

<b>Manager</b>	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: <a href="http://www.uobam.com.my">www.uobam.com.my</a>
<b>Board of Directors</b>	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)
<b>Trustee</b>	TMF Trustees Malaysia Berhad 200301008392 (610812-W)
<b>Auditor of the Fund</b>	Ernst & Young
<b>Tax Adviser of the Fund</b>	Deloitte Tax Services Sdn Bhd
<b>Investment Manager of the Target Fund</b>	UOB Asset Management Ltd
<b>Sub-Manager of the Target Fund</b>	Wellington Management Singapore Pte. Ltd

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