



United-*i* Asia ESG Income Fund

**Annual Report
31 October 2021**

UNITED-i ASIA ESG INCOME FUND

**Audited Annual Report and Financial Statements
For the First Financial Year ended 31 October 2021**

TABLE OF CONTENTS	PAGE NO
(A) MANAGER’S REPORT	2
(B) TRUSTEE’S REPORT	10
(C) SHARIAH ADVISER’S REPORT	11
(D) STATEMENT BY MANAGER	12
(E) INDEPENDENT AUDITORS' REPORT	13
(F) FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	17
STATEMENT OF COMPREHENSIVE INCOME	19
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	20
STATEMENT OF CASH FLOWS	21
NOTES TO THE FINANCIAL STATEMENTS	22
(G) CORPORATE INFORMATION	49

(A) MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of United-*i* Asia ESG Income Fund (the "Fund") for the first financial year from 8 February 2021 (commencement date) to 31 October 2021.

(1) Key Data of the Fund

1.1	Fund name	United- <i>i</i> Asia ESG Income Fund																																																	
1.2	Fund category	Mixed Asset (Islamic)																																																	
1.3	Fund type	Income & Growth																																																	
1.4	Investment objective	The Fund seeks to provide income and capital appreciation over the medium to long term by investing in the Asia ex Japan region.																																																	
1.5	Performance benchmark	50% MSCI AC Asia ex Japan Islamic Index and 50% 12 months Islamic Fixed Deposit-i by Malayan Banking Berhad.																																																	
1.6	Duration	The Fund was launched on 18 January 2021 and shall exist for as long as it appears to the Manager and Trustee that it is in the interests of the unit holders for it to continue. In some circumstances, the unit holders can resolve at a meeting to terminate the Fund.																																																	
1.7	Distribution policy	Subject to the availability of income, distribution (if any) will be made at least twice every year.																																																	
1.8	Breakdown of unit holdings by size	Breakdown of unit holdings by size as at 31 October 2021 are as follows: <u>MYR Class</u> <table border="1" data-bbox="513 993 1432 1310"><thead><tr><th colspan="3">As at 31 October 2021</th></tr><tr><th>Size of holding</th><th>No. of unit holders</th><th>No. of units held</th></tr></thead><tbody><tr><td>• 5,000 and below</td><td>5</td><td>14,107.26</td></tr><tr><td>• 5,001 to 10,000</td><td>2</td><td>20,000.00</td></tr><tr><td>• 10,001 to 50,000</td><td>6</td><td>195,305.49</td></tr><tr><td>• 50,001 to 500,000</td><td>10</td><td>1,914,831.23</td></tr><tr><td>• 500,001 and above</td><td>2</td><td>4,559,347.16</td></tr><tr><td>Total</td><td>25</td><td>6,703,591.14</td></tr></tbody></table> <u>USD Class</u> <table border="1" data-bbox="513 1371 1432 1688"><thead><tr><th colspan="3">As at 31 October 2021</th></tr><tr><th>Size of holding</th><th>No. of unit holders</th><th>No. of units held</th></tr></thead><tbody><tr><td>• 5,000 and below</td><td>1</td><td>2,000.00</td></tr><tr><td>• 5,001 to 10,000</td><td>1</td><td>6,298.78</td></tr><tr><td>• 10,001 to 50,000</td><td>2</td><td>61,388.58</td></tr><tr><td>• 50,001 to 500,000</td><td>0</td><td>0.00</td></tr><tr><td>• 500,001 and above</td><td>0</td><td>0.00</td></tr><tr><td>Total</td><td>4</td><td>69,687.36</td></tr></tbody></table>		As at 31 October 2021			Size of holding	No. of unit holders	No. of units held	• 5,000 and below	5	14,107.26	• 5,001 to 10,000	2	20,000.00	• 10,001 to 50,000	6	195,305.49	• 50,001 to 500,000	10	1,914,831.23	• 500,001 and above	2	4,559,347.16	Total	25	6,703,591.14	As at 31 October 2021			Size of holding	No. of unit holders	No. of units held	• 5,000 and below	1	2,000.00	• 5,001 to 10,000	1	6,298.78	• 10,001 to 50,000	2	61,388.58	• 50,001 to 500,000	0	0.00	• 500,001 and above	0	0.00	Total	4	69,687.36
As at 31 October 2021																																																			
Size of holding	No. of unit holders	No. of units held																																																	
• 5,000 and below	5	14,107.26																																																	
• 5,001 to 10,000	2	20,000.00																																																	
• 10,001 to 50,000	6	195,305.49																																																	
• 50,001 to 500,000	10	1,914,831.23																																																	
• 500,001 and above	2	4,559,347.16																																																	
Total	25	6,703,591.14																																																	
As at 31 October 2021																																																			
Size of holding	No. of unit holders	No. of units held																																																	
• 5,000 and below	1	2,000.00																																																	
• 5,001 to 10,000	1	6,298.78																																																	
• 10,001 to 50,000	2	61,388.58																																																	
• 50,001 to 500,000	0	0.00																																																	
• 500,001 and above	0	0.00																																																	
Total	4	69,687.36																																																	

1.8	Breakdown of unit holdings by size (continued)	AUD Class		
		As at 31 October 2021		
		Size of holding	No. of unit holders	No. of units held
		• 5,000 and below	2	6,512.73
		• 5,001 to 10,000	0	0.00
		• 10,001 to 50,000	0	0.00
		• 50,001 to 500,000	0	0.00
		• 500,001 and above	0	0.00
	Total	2	6,512.73	

(2) Performance Data of the Fund

2.1	Portfolio composition	Details of portfolio composition of the Fund as at 31 October 2021 are as follows:	
		Sectors, category of investments & cash holdings	As at 31 October 2021 (%)
		Technology	11.14
		Consumer Products	11.09
		Telecommunication Services	10.59
		Energy	9.62
		Utilities	5.99
		Real Estate	2.02
		Industrial Products	4.59
		Health Care	3.83
Materials	2.09		
Cash	39.04		
	Total	100.00	
2.2	Performance details	Performance details of the Fund for the financial period ended 31 October 2021 are as follows:	
			As at 31 October 2021
		Net Asset Value ("NAV") (RM)	
		- MYR Class	3,080,738
		- USD Class	130,106
		- AUD Class	9,374
		NAV per unit in RM	
		- MYR Class	0.4596
		- USD Class	1.8670
		- AUD Class	1.4393
NAV per unit in respective currencies			
- MYR Class (RM)	0.4596		
- USD Class (USD)	0.4511		
- AUD Class (AUD)	0.4631		
Units in circulation			
- MYR Class	6,703,591		
- USD Class	69,687		
- AUD Class	6,513		

2.2	Performance details (continued)	Highest NAV per unit in respective currencies	
		- MYR Class (RM)	0.5004
		- USD Class (USD)	0.5048
		- AUD Class (AUD)	0.5015
		Lowest NAV per unit in respective currencies	
		- MYR Class (RM)	0.4508
		- USD Class (USD)	0.4324
		- AUD Class (AUD)	0.4513
		Total return (%)	
		- MYR Class	-8.08
		- USD Class	-9.78
		- AUD Class	-7.38
		Capital growth (%)	
		- MYR Class	-8.08
		- USD Class	-9.78
		- AUD Class	-7.38
		Income distribution (%)	
		- MYR Class	-
		- USD Class	-
		- AUD Class	-
		Gross distribution (sen/cent per unit) in respective currencies	
		- MYR Class (RM)	-
		- USD Class (USD)	-
- AUD Class (AUD)	-		
Net distribution (sen/cent per unit) in respective currencies			
- MYR Class (RM)	-		
- USD Class (USD)	-		
- AUD Class (AUD)	-		
Management expense ratio (%)	1.86		
Portfolio turnover ratio (times)	1.13		
Average total return			
		As at 31 October 2021 (%)	
Since commencement (8 February 2021)			
- MYR Class	-10.92		
- USD Class	-13.17		
- AUD Class	-9.99		
Annual total return			
		As at 31 October 2021 (%)	
Since commencement (8 February 2021)			
- MYR Class	-8.08		
- USD Class	-9.78		
- AUD Class	-7.38		
Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures have been extracted from Bloomberg.			

2.3	Has the Fund achieved its investment objective?	In its short history, the fund has not met the investment objective to provide income and capital appreciation since inception in February 2021. The fund seeks to provide income and capital appreciation over the medium to long term by investing in the Asia ex Japan region.																		
2.4	Performance review	<p><u>MYR Class</u></p> <p>For the financial period under review, the Fund registered a return of -8.08%, underperforming the benchmark return of -3.26%. The underperformance was mainly due to the drag from Hong Kong ("H.K.)/China stocks as the market was hit by regulatory uncertainties. Among the detractors to the portfolio performance included Alibaba, Topchoice Medical and TSMC. Meanwhile, the top contributors to the portfolio performance include PT Telkom, Inari and MR DIY.</p> <p>Since commencement, the NAV per unit of the Fund decreased by 8.08% from RM0.5000 to RM0.4596.</p> <p>The line chart below shows comparison between the performance of the Fund and its benchmark from the commencement of the Fund to 31 October 2021.</p>  <p>Source: UOBAM(M) as at 31 October 2021.</p> <table border="1" data-bbox="514 1314 1432 1499"> <thead> <tr> <th></th> <th>1-month</th> <th>3-months</th> <th>6-months</th> <th>12-months</th> <th>Since commencement (8 February 2021)</th> </tr> </thead> <tbody> <tr> <td>The Fund</td> <td>-0.48%</td> <td>1.08%</td> <td>-2.94%</td> <td>N/A</td> <td>-8.08%</td> </tr> <tr> <td>Benchmark*</td> <td>-0.63%</td> <td>-1.15%</td> <td>-2.10%</td> <td>N/A</td> <td>-3.26%</td> </tr> </tbody> </table> <p>Source: UOBAM(M), Lipper and Bloomberg as at 31 October 2021. * 50% MSCI AC Asia ex Japan Islamic Index and 50% 12 months Islamic Fixed Deposit-i by Malayan Banking Berhad.</p>		1-month	3-months	6-months	12-months	Since commencement (8 February 2021)	The Fund	-0.48%	1.08%	-2.94%	N/A	-8.08%	Benchmark*	-0.63%	-1.15%	-2.10%	N/A	-3.26%
	1-month	3-months	6-months	12-months	Since commencement (8 February 2021)															
The Fund	-0.48%	1.08%	-2.94%	N/A	-8.08%															
Benchmark*	-0.63%	-1.15%	-2.10%	N/A	-3.26%															

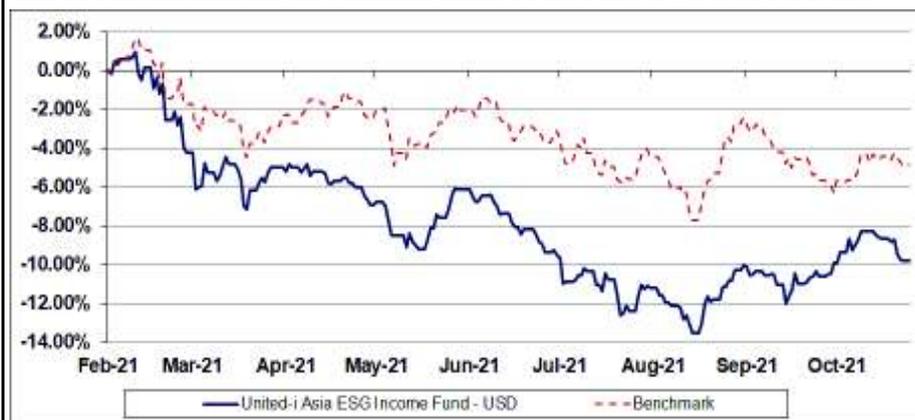
2.4 Performance review (continued)

USD Class

For the financial period under review, the Fund registered a return of -9.78%, underperforming the benchmark return of -4.87%. The underperformance was mainly due to the drag from H.K./China stocks as the market was hit by regulatory uncertainties. Among the detractors to the portfolio performance included Alibaba, Topchoice Medical and TSMC. Meanwhile, the top contributors to the portfolio performance include PT Telkom, Inari and MR DIY.

Since commencement, the NAV per unit of the Fund decreased by 9.78% from USD0.5000 to USD0.4511.

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



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

	1-month	3-months	6-months	12-months	Since commencement (8 February 2021)
The Fund	0.62%	2.99%	-4.02%	N/A	-9.78%
Benchmark*	0.50%	0.77%	-3.30%	N/A	-4.87%

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

* 50% MSCI AC Asia ex Japan Islamic Index and 50% 12 months Islamic Fixed Deposit-i by Malayan Banking Berhad.

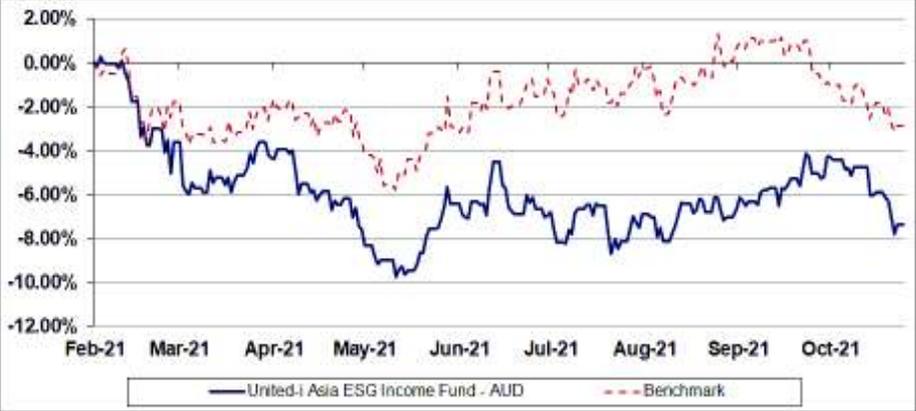
AUD Class

For the financial period under review, the Fund registered a return of -7.38%, underperforming the benchmark return of -2.86%. The underperformance was mainly due to the drag from H.K./China stocks as the market was hit by regulatory uncertainties. Among the detractors to the portfolio performance included Alibaba, Topchoice Medical and TSMC. Meanwhile, the top contributors to the portfolio performance include PT Telkom, Inari and MR DIY.

2.4 Performance review (continued)

Since commencement, the NAV per unit of the Fund decreased by 7.38% from AUD0.5000 to AUD0.4631.

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



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

	1-month	3-months	6-months	12-months	Since commencement (8 February 2021)
The Fund	-3.24%	0.81%	-1.30%	N/A	-7.38%
Benchmark*	-3.49%	-1.47%	-0.72%	N/A	-2.86%

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

* 50% MSCI AC Asia ex Japan Islamic Index and 50% 12 months Islamic Fixed Deposit-i by Malayan Banking Berhad.

Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up. All performance figures have been extracted from Bloomberg.

2.5 Strategies and policies employed

For the financial year under review, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds ("SRI").

The Fund's investment policy and strategy adopts Shariah screening for Shariah compliance and Environmental, Social and Governance ("ESG") analysis for sustainability consideration. The ESG evaluation is done based on publicly available information, ratings by investment service providers, and engagements with companies. We continuously monitor and review the companies that the Fund invests in. We review the sustainability aspects of the Fund's portfolio periodically to ensure the investments of the Fund are consistent with the sustainability considerations adopted by the Fund.

During the period, we were overweight equities relative to fixed income due to more attractive risk reward offered. We were cautious on fixed income given the headwinds from an expected rise in bond yields.

2.5	Strategies and policies employed (continued)	<p>Within equities, we focused on the reopening/value sectors such as telco, consumer and commodities sector, as well as technology sector for the structural growth story.</p> <p>We reduced the exposure to H.K./China due to the overhang from regulatory risks by the China government. Subsequently, we switched our focus to the ASEAN region due to progress on the vaccination rate and reduction in new COVID-19 cases. Within ASEAN, we focused on the reopening sectors like consumer, telco and commodities.</p>								
2.6	Asset allocation	<p>This table below shows the asset allocation of the Fund as at 31 October 2021:</p> <table border="1" data-bbox="516 489 1427 663"> <thead> <tr> <th data-bbox="516 489 1070 562">Assets</th> <th data-bbox="1070 489 1427 562">As at 31 October 2021 (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="516 562 1070 596">Equities</td> <td data-bbox="1070 562 1427 596">60.96</td> </tr> <tr> <td data-bbox="516 596 1070 630">Cash</td> <td data-bbox="1070 596 1427 630">39.04</td> </tr> <tr> <td data-bbox="516 630 1070 663">Total</td> <td data-bbox="1070 630 1427 663">100.00</td> </tr> </tbody> </table>	Assets	As at 31 October 2021 (%)	Equities	60.96	Cash	39.04	Total	100.00
Assets	As at 31 October 2021 (%)									
Equities	60.96									
Cash	39.04									
Total	100.00									
2.7	Income distribution/ Unit splits	<p>There was no income distribution and unit split declared during the financial period under review.</p>								
2.8	State of affairs	<p>There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the financial period under review.</p>								
2.9	Rebates and soft commission	<p>It is our policy to channel all rebates to the Fund. Soft commissions received from brokers/dealers are retained by the Manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.</p> <p>The Manager will retain the soft commissions that are deemed to be beneficial to the unitholders of the Fund in the form of research and advisory services from any broker or dealer by virtue of transactions conducted for the fund that can assist in the decision making process in relation to the Fund such as technical analysis software, data and quotation services and computer software incidental to investment management of the Fund.</p> <p>During the financial period under review, the Manager had not received any soft commissions.</p>								
2.10	Market review	<p>During the financial period under review, the MSCI AC Asia ex-Japan Islamic index fell 7.48%. Among regional markets, Chinese equities lagged in terms of performance. Throughout the year, investors have been spooked by the regulatory crackdown in certain sectors including technology, property and education by the Chinese government. Additionally, there has been concerns over contagion from Evergrande's debt crisis and the impact of the energy crunch on economic activity. These issues also affected many China-related companies that are listed in H.K. and was a key reason for the weakness seen in the H.K. market.</p>								

2.10	Market review (continued)	<p>The market sentiment in ASEAN was negatively affected by an increase in COVID-19 cases for some countries affected economic activity. However, the situation improved as vaccination rates increased. Among ASEAN peers, Malaysia was a laggard due to uneven economic recovery with COVID-19 and political flux.</p> <p><i>Source: UOB Islamic Asset Management Sdn Bhd.</i></p>
2.11	Market outlook	<p>We see 2022 as a year of mid cycle expansion and the pandemic is expected to fade as a major market driver. The continued expansion in economic activity is expected to provide a conducive environment to equity markets.</p> <p>Unlike the previous tapering episode, we see Asia as better positioned this time to deal with the impact from the upcoming tapering exercise. We maintain a constructive view on the market as the economic upcycle is still at an early stage.</p> <p>Within Asia, Chinese equities have been under pressure from regulatory policy risk. Prospects for ASEAN are improving with the reopening of economies as vaccination rates accelerate. We see ASEAN as an interesting investing destination given the high weighting of value or reopening sectors in the region's equity markets.</p> <p>We would be monitoring for signs of any improvement in the China regulatory crackdown cycle. There could be good opportunities from the market weakness given the long term growth prospects for China.</p> <p><i>Source: UOB Islamic Asset Management Sdn Bhd.</i></p>

Kuala Lumpur, Malaysia
UOB Asset Management (Malaysia) Berhad

31 December 2021

(B) TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF UNITED-*i* ASIA ESG INCOME FUND

We have acted as Trustee for United-*i* Asia ESG Income Fund (the “Fund”) for the financial period from 08 February 2021 (date of commencement) to 31 October 2021. To the best of our knowledge, for the financial period under review, UOB Asset Management (Malaysia) Berhad (the “Manager”) has operated and managed the Fund in accordance with the following:

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

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur
31 December 2021

(C) SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF UNITED-*i* ASIA ESG INCOME FUND

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, UOB Asset Management (Malaysia) Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Kuala Lumpur

UNITED-*i* ASIA ESG INCOME FUND

(D) STATEMENT BY MANAGER

We, **Lim Suet Ling** and **Seow Lun Hoo**, being two of the Directors of UOB Asset Management (Malaysia) Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 17 to 48 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-*i* Asia ESG Income Fund** as at 31 October 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the first financial period from 8 February 2021 (date of commencement) to 31 October 2021 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
31 December 2021

**(E) Independent auditors' report to the unitholders of
United-i Asia ESG Income Fund**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of United-i Asia ESG Income Fund (“the Fund”), which comprise the statement of financial position of the Fund as at 31 October 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the first financial period from 8 February 2021 (date of commencement) to 31 October 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2021 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

Basis for opinion

We conducted our audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

**Independent auditors' report to the unitholders of
United-i Asia ESG Income Fund (continued)**

Report on the audit of the financial statements (continued)

Information other than the financial statements and auditors' report thereon (continued)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager of the Fund and take appropriate action.

Responsibilities of the Manager and Trustee for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements of the Fund in accordance with MFRS and IFRS. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, 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 liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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.

**Independent auditors' report to the unitholders of
United-i Asia ESG Income Fund (continued)**

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, 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;
- 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 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 auditors' report to the related disclosures in the financial statements of the Fund 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund 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.

**Independent auditors' report to the unitholders of
United-i Asia ESG Income Fund (continued)**

Report on the audit of the financial statements (continued)

Other Matter

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds by the Securities Commission Malaysia, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
31 December 2021

UNITED-*i* ASIA ESG INCOME FUND**(F) FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021**

	Note	2021 RM
ASSETS		
Investments	3	1,965,968
Amount due from brokers		214,063
Amount due from Manager	4	42,621
Dividend receivables		200
Cash at bank		997,366
TOTAL ASSETS		<u>3,220,218</u>
NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS		
		<u>3,220,218</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:		
Unitholders’ capital	5	3,376,422
Accumulated losses	5	<u>(156,204)</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	5	<u>3,220,218</u>
TOTAL NAV AND LIABILITIES		<u>3,220,218</u>
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS		
- AUD CLASS		9,374
- MYR CLASS		3,080,738
- USD CLASS		130,106
		<u>3,220,218</u>
UNITS IN CIRCULATION		
- AUD CLASS	5(a)	<u>6,513</u>
- MYR CLASS	5(b)	<u>6,703,591</u>
- USD CLASS	5(c)	<u>69,687</u>
NET ASSET VALUE PER UNIT IN MYR		
- AUD CLASS		<u>1.4393</u>
- MYR CLASS		<u>0.4596</u>
- USD CLASS		<u>1.8670</u>

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

UNITED-*i* ASIA ESG INCOME FUND

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2021**

	2021 RM
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- AUD CLASS (AUD)	<u>0.4631</u>
- MYR CLASS (MYR)	<u>0.4596</u>
- USD CLASS (USD)	<u>0.4511</u>

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

UNITED-*i* ASIA ESG INCOME FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL PERIOD FROM 8 FEBRUARY 2021
(DATE OF COMMENCEMENT) TO 31 OCTOBER 2021**

		08.02.2021 to 31.10.2021 RM
	Note	
INVESTMENT LOSS		
Dividend income from quoted equities		34,621
Net loss on investments at fair value through profit or loss (“FVTPL”):	3	
- net realised loss on sale of investments at FVTPL		(59,844)
- net unrealised loss on changes in fair value	5(e)	(46,615)
Net realised loss on foreign currency exchange		<u>(40,495)</u>
		<u>(112,333)</u>
EXPENSES		
Manager’s fee	6	31,019
Other expenses		<u>9,702</u>
		<u>40,721</u>
NET LOSS BEFORE TAXATION		
		(153,054)
Tax expense	7	<u>3,150</u>
NET LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		
		<u>(156,204)</u>
Net loss after taxation is made up of the following:		
Realised amount	5(d)	(109,589)
Unrealised amount	5(e)	<u>(46,615)</u>
		<u>(156,204)</u>

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

UNITED-i ASIA ESG INCOME FUND**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FIRST FINANCIAL PERIOD FROM 8 FEBRUARY 2021
(DATE OF COMMENCEMENT) TO 31 OCTOBER 2021**

	Note	Unitholders' capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 8 February 2021 (date of commencement)		-	-	-
Movement in net asset value:				
Total comprehensive loss for the financial period		-	(156,204)	(156,204)
Creation of units				
- AUD CLASS	5(a)	9,965	-	9,965
- MYR CLASS	5(b)	3,978,228	-	3,978,228
- USD CLASS	5(c)	134,239	-	134,239
Cancellation of units				
- MYR CLASS	5(b)	(746,010)	-	(746,010)
Balance as at 31 October 2021		<u>3,376,422</u>	<u>(156,204)</u>	<u>3,220,218</u>

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

UNITED-*i* ASIA ESG INCOME FUND

**STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL PERIOD FROM 8 FEBRUARY 2021
(DATE OF COMMENCEMENT) TO 31 OCTOBER 2021**

	08.02.2021 to 31.10.2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES	
Proceeds from sale of investments	1,214,959
Purchase of investments	(3,501,449)
Dividend received from quoted equities	31,271
Manager's fee paid	(26,048)
Payment of other fees and expenses	(7,122)
Payment to charitable bodies	(2,580)
Net realised loss on foreign currency exchange	(40,495)
Net cash used in operating and investing activities	<u>(2,331,464)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from creation of units	4,072,965
Payment for cancellation of units	(744,135)
Net cash generated from financing activities	<u>3,328,830</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	997,366
CASH AND CASH EQUIVALENTS AT THE DATE OF COMMENCEMENT	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>997,366</u>
Cash and cash equivalents comprises the following:	
Cash at bank	<u>997,366</u>

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

UNITED-*i* ASIA ESG INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

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

The United-*i* Asia ESG Income Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 20 July 2020 between UOB Asset Management (Malaysia) Berhad (“the Manager”) and Deutsche Trustees Malaysia Berhad (“the Trustee”).

The Fund seeks to provide income and capital appreciation over the medium to long term by investing in the Asia ex Japan region. The Fund was launched on 18 January 2021 and commenced for operation on 8 February 2021. As provided in the Deed, the accrual period or financial year shall end on 31 October.

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

The financial statements were authorised for issue by the Manager on 31 December 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”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on or after 1 November 2021 are applicable to the financial statements of the Fund.

UNITED-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies

(a) Financial instruments

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

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

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

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

Classification

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

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

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or,

UNITED-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Classification (continued)

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

Financial assets

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

(i) Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial 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 profit (“SPPP”) on the principal amount outstanding. The Fund includes in this category amount due from broker, amount due from Manager, dividend receivables and bank balances.

(ii) Financial assets at FVTPL

A financial asset is measured at FVTPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPP 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 and equity instruments. These includes investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

UNITED-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Financial liabilities

(i) Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund does not have such liabilities at this juncture.

(ii) Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVTPL. The Fund does not have such liabilities at this juncture.

Impairment of financial assets

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

Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- (i) The contractual rights to receive cash flows from the financial asset have expired; or
- (ii) The Fund has transferred its contractual rights to received cash flows from the financial asset or have assumed contractual obligation to pay the received cash flows in full without material delay to one or more third parties under a “pass through” arrangement; and either:
 - (a) the Fund has transferred substantially all the risks and rewards of ownership of the financial asset; or

UNITED-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Derecognition of financial assets and financial liabilities (continued)

A financial asset is derecognised when: (continued)

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

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

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

(b) Classification of realised and unrealised gains and losses

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

Return on investments and foreign exchange translation differences of cash at bank balances denominated in foreign currencies are classified as realised income in the financial statements.

(c) 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-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(d) 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.

(e) Unitholders' capital

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

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

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

(f) Distribution of income

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

(g) Cash and cash equivalents

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

UNITED-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(h) Income recognition

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

Dividend income from quoted equities is recognised when the Fund's right to receive payment is established.

(i) Net asset value attributable to unitholders

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

(j) 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.

(k) Segment reporting

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

UNITED-*i* ASIA ESG INCOME FUND

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

(i) Significant accounting estimates and judgments

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

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

3. INVESTMENTS

	2021
	RM
Investments designated as FVTPL:	
- quoted investments - local	759,922
- quoted investments - foreign	1,206,046
	<u>1,965,968</u>
	08.02.2021
	to 31.10.2021
	RM
Net loss on investments at FVTPL comprised:	
- net realised loss on sale of investments at FVTPL	(59,844)
- net unrealised loss on changes in fair value	(46,615)
	<u>(106,459)</u>

UNITED-i ASIA ESG INCOME FUND

3. INVESTMENTS (CONTINUED)

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

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS - LOCAL				
Consumer Products & Services				
Guan Chong Berhad	23,000	69,038	69,690	2.16
Innature Berhad	100,000	65,082	82,500	2.56
Padini Holdings Berhad	22,000	67,310	69,080	2.15
		<u>201,430</u>	<u>221,270</u>	<u>6.87</u>
Energy				
Yinson Holdings Berhad	14,000	68,835	81,900	2.54
Health Care				
IHH Healthcare Berhad	11,800	67,724	77,172	2.40
Industrials				
Sam Engineering & Equipment (M) Berhad	4,000	67,933	87,280	2.71
SKP Resources Berhad	2,280	-	490	0.02
		<u>67,933</u>	<u>87,770</u>	<u>2.73</u>
Technology				
Frontken Corporation Berhad	2,800	-	1,652	0.05
Inari Amertron Berhad	17,000	52,840	65,790	2.04
JHM Consolidation Berhad	35,000	67,557	69,300	2.15
MY E.G. Services Berhad	80,000	74,155	83,200	2.58
		<u>194,552</u>	<u>219,942</u>	<u>6.82</u>
Telecommunications				
TIME Dotcom Berhad	15,900	74,573	71,868	2.23
TOTAL QUOTED INVESTMENTS - LOCAL		<u>675,047</u>	<u>759,922</u>	<u>23.60</u>

UNITED-i ASIA ESG INCOME FUND

3. INVESTMENTS (CONTINUED)

Investments designated as FVTPL as at 31 October 2021 are as follows: (continued)

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS - FOREIGN				
<u>China</u>				
Health Care				
Topchoice Medical Co., Inc.	300	74,580	46,221	1.44
<u>Hong Kong</u>				
Energy				
China Petroleum & Chemical Corporation	34,000	72,206	69,174	2.15
PetroChina Company Limited	30,000	66,718	60,077	1.87
		138,924	129,251	4.02
Real Estate				
Swire Pacific Limited	2,500	70,574	65,176	2.02
Transportation				
Beijing Capital International Airport Company Limited	22,000	64,451	59,171	1.84
Utilities				
China Resources Gas Group Limited	2,600	69,027	57,882	1.80
CLP Holdings Limited	1,600	66,428	64,891	2.02
		135,455	122,773	3.82
<u>Indonesia</u>				
Consumer Staples				
PT Unilever Indonesia Tbk	61,000	95,411	78,756	2.45
Telecommunication Services				
PT Telkom Indonesia (Persero) Tbk	171,000	172,716	189,807	5.89

UNITED-i ASIA ESG INCOME FUND**3. INVESTMENTS (CONTINUED)**

Investments designated as FVTPL as at 31 October 2021 are as follows: (continued)

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS - FOREIGN (CONTINUED)				
<u>Korea</u>				
Consumer Staples				
LG Household & Health Care Ltd	14	78,651	57,782	1.79
Information Technology				
Samsung Electronics Co., Ltd.	250	75,401	61,504	1.91
Materials				
Lotte Chemical Corporation	85	83,820	67,258	2.09
<u>Phillipines</u>				
Utilities				
Manila Electric Co.	3,000	71,928	70,527	2.19
<u>Singapore</u>				
Telecommunication Services				
Singapore Telecommunications Limited	10,400	74,960	79,779	2.48
<u>Thailand</u>				
Energy				
PTT Public Company Limited	21,000	109,556	98,979	3.07

UNITED-i ASIA ESG INCOME FUND**3. INVESTMENTS (CONTINUED)**

Investments designated as FVTPL as at 31 October 2021 are as follows: (continued)

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS - FOREIGN (CONTINUED)				
<u>United States</u>				
Information Technology				
Taiwan Semiconductor Manufacturing Co., Ltd.	168	91,109	79,062	2.45
TOTAL QUOTED INVESTMENTS - FOREIGN		1,337,536	1,206,046	37.45
TOTAL INVESTMENTS		2,012,583	1,965,968	61.05
SHORTFALL OF FAIR VALUE OVER COST:				
- UNREALISED LOSS ON FAIR VALUE		(35,285)		
- UNREALISED LOSS ON FOREIGN EXCHANGE			(11,330)	
TOTAL INVESTMENTS AT FVTPL			1,965,968	

UNITED-*i* ASIA ESG INCOME FUND

4. AMOUNT DUE FROM MANAGER

	2021
	RM
Creation of units	49,467
Cancellation of units	(1,875)
Manager's fee payable	(4,971)
	<u>42,621</u>

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

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

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

The NAV per unit of the Fund at a valuation point is determined by dividing the NAV of the Fund at that valuation point by the number of units in circulation of the Fund at the same valuation point.

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 October 2021, the multi-class ratio used in apportionment for AUD Class is 0.29, MYR Class is 95.67 and USD Class is 4.04.

Net asset value attributable to unitholders is represented by:

	Note	2021
		RM
Unitholders' capital		
- AUD CLASS	(a)	9,965
- MYR CLASS	(b)	3,232,218
- USD CLASS	(c)	134,239
		<u>3,376,422</u>
Accumulated losses		
- Realised loss	(d)	(109,589)
- Unrealised loss	(e)	(46,615)
		<u>(156,204)</u>
Total NAV attributable to unitholders		<u>3,220,218</u>

UNITED-i ASIA ESG INCOME FUND**5. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)****(a) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - AUD CLASS**

	Units	2021 RM
At the date of commencement	-	-
Creation of units during the financial period	6,513	9,965
At the end of the financial period	<u>6,513</u>	<u>9,965</u>

The units held by the Manager and parties related to the Manager as at 31 October 2021 are disclosed in Note 9.

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

	Units	2021 RM
At the date of commencement	-	-
Creation of units during the financial period	8,297,144	3,978,228
Cancellation of units during the financial period	(1,593,553)	(746,010)
At the end of the financial period	<u>6,703,591</u>	<u>3,232,218</u>

The units held by the Manager and parties related to the Manager as at 31 October 2021 are disclosed in Note 9.

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

	Units	2021 RM
At the date of commencement	-	-
Creation of units during the financial period	69,687	134,239
At the end of the financial period	<u>69,687</u>	<u>134,239</u>

The units held by the Manager and parties related to the Manager as at 31 October 2021 are disclosed in Note 9.

UNITED-*i* ASIA ESG INCOME FUND

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

(d) ACCUMULATED LOSS - REALISED

	2021 RM
At the date of commencement	-
Total comprehensive loss for the financial period	(156,204)
Net unrealised loss attributable to investments and others held transferred to unrealised reserve	46,615
Net decrease in realised reserve for the financial period	(109,589)
At the end of the financial period	<u>(109,589)</u>

(e) ACCUMULATED LOSS - UNREALISED

	2021 RM
At the date of commencement	-
Net unrealised loss attributable to investments and others held transferred to unrealised reserve	
- Investments at FVTPL	(46,615)
At the end of the financial period	<u>(46,615)</u>

6. 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% 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% based on the net asset value of the Fund, calculated on a daily basis for the financial period.

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

Auditors’ fee and tax agent’s fee of RM9,300 and RM4,900 respectively is borne by the Fund Manager.

UNITED-*i* ASIA ESG INCOME FUND

7. 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% 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).

Trustee's fee is borne by the Fund Manager. There is no trustee's fee charged to the Fund.

8. INCOME TAX EXPENSE

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

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

	08.02.2021 to 31.10.2021 RM
Net loss before taxation	<u>(153,054)</u>
Taxation at Malaysian statutory rate of 24%	(36,733)
Tax effects of:	
Income not subject to tax	(8,309)
Loss not deductible for tax purposes	35,269
Restriction on tax deductible expenses for funds	7,445
Expenses not deductible for tax purposes	<u>2,328</u>
Income tax for the financial period	-
Foreign withholding tax	<u>3,150</u>
Tax expense for the financial period	<u>3,150</u>

UNITED-*i* ASIA ESG INCOME FUND

9. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and its relationship with the class of the Fund are as follows:

Related parties	Relationship
CEO and Director of UOB Islamic Asset Management (Malaysia) Berhad	Director of the Manager
UOB Asset Management (Malaysia) Berhad	The Manager

The units held by the Director of the Manager as at the date of the financial period as follows:

	Units	2021 RM
<u>Parties related to the Manager</u>		
AUD CLASS		
UOB Asset Management (Malaysia) Berhad	<u>2,000</u>	<u>2,879</u>
MYR CLASS		
CEO and Director of UOB Islamic Asset Management (Malaysia) Berhad	<u>2,000</u>	<u>919</u>
USD CLASS		
UOB Asset Management (Malaysia) Berhad	<u>2,000</u>	<u>3,734</u>

The Directors of the Manager are of the opinion that any transactions with the related parties have been 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 related parties have been transacted at arm's length basis.

UNITED-*i* ASIA ESG INCOME FUND

10. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS

Details of transactions with brokers and financial institutions by the Fund for the financial period ended 31 October 2021 are as follows:

Brokers/ Financial institutions	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
Kim Eng Securities (Hong Kong) Limited	744,162	15.09	2,722	15.92
Maybank Investment Bank Berhad	641,855	13.02	1,992	11.65
CGS – CIMB Securities Sdn. Bhd.	563,407	11.43	1,999	11.69
PT CIMB Securities Indonesia	472,870	9.59	2,089	12.22
Affin Hwang Investment Bank Berhad	415,326	8.42	1,416	8.29
RHB Investment Bank Berhad	394,900	8.01	1,342	7.85
Alliance Investment Bank Berhad	356,206	7.23	1,217	7.12
CIMB Securities Ltd., Korea Branch	278,761	5.65	556	3.25
Malayan Banking Berhad	157,456	3.19	758	4.43
Hong Leong Investment Bank Berhad	139,957	2.84	470	2.75
Others	765,572	15.53	2,534	14.83
	<u>4,930,472</u>	<u>100.00</u>	<u>17,095</u>	<u>100.00</u>

11. MANAGEMENT EXPENSE RATIO (“MER”)

	08.02.2021 to 31.10.2021 %
Manager’s fee	1.42
Other expenses	0.44
Total MER	<u>1.86</u>

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.

UNITED-*i* ASIA ESG INCOME FUND

12. PORTFOLIO TURNOVER RATIO (“PTR”)

08.02.2021
to 31.10.2021

PTR (times)	<u>1.13</u>
-------------	-------------

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

13. 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 2.2 describe how the classes of financial instruments are measured, and how income and expenses are recognised:

- (i) the Fund’s investments, comprising quoted investments are classified as financial assets at FVTPL which are measured at fair value;
- (ii) the Fund’s financial assets, comprising amount due from brokers, amount due from Manager, dividend receivables and cash at bank, are classified as other financial assets which are measured at amortised cost;
- (iii) the Fund’s NAV attributable to unitholders are carried in the financial statements based on the residual value of the net assets of the Fund.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Total RM
2021			
Financial assets			
Investments	1,965,968	-	1,965,968
Amount due from brokers	-	214,063	214,063
Amount due from Manager	-	42,621	42,621
Dividend receivables	-	200	200
Cash at bank	-	997,366	997,366
Total financial assets	<u>1,965,968</u>	<u>1,254,250</u>	<u>3,220,218</u>

UNITED-i ASIA ESG INCOME FUND

13. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial instruments that are carried at fair value

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Financial instruments				
Quoted investments	1,965,968	-	-	1,965,968
Total financial instruments	1,965,968	-	-	1,965,968

(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 brokers
- Amount due from Manager
- Dividend receivables
- Cash at bank
- NAV attributable to unitholders

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

UNITED-i ASIA ESG INCOME FUND

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk, non-compliance risk, currency risk, credit risk, liquidity risk, equity risk and country risk. Whilst these are the most important types of financial risks inherent in each type of financial instrument, 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 may affect the market prices of the financial instruments 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:

	2021
	RM
Investments at FVTPL	<u>1,965,968</u>

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

	Change in price of investments %	Market value RM	Impact on net income after taxation and NAV RM
2021	-5	1,867,670	(98,298)
	0	1,965,968	-
	+5	<u>2,064,266</u>	<u>98,298</u>

UNITED-*i* ASIA ESG INCOME FUND

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Non-compliance risk

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

(c) Currency risk

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

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

	RM	2021 Percentage of NAV %
AUD		
Cash at bank	9,795	0.30
CNY		
Investment	46,221	1.44
HKD		
Investment	376,371	11.69
IDR		
Investment	268,563	8.34
KRW		
Investment	186,544	5.79

UNITED-i ASIA ESG INCOME FUND**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(c) Currency risk (continued)**

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

	RM	2021 Percentage of NAV %
PHP		
Investment	70,527	2.19
SGD		
Investment	79,779	2.48
THB		
Investment	98,979	3.07
USD		
Investment	79,062	2.46
Cash at bank	134,294	4.17
	213,356	6.63

The following table summarises the sensitivity of the Fund's net asset value and income 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.

UNITED-*i* ASIA ESG INCOME FUND

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Currency risk (continued)

	Change in foreign exchange rate %	Impact on net income after taxation and NAV RM
2021		
AUD	+5	490
	-5	(490)
CNY	+5	2,311
	-5	(2,311)
HKD	+5	18,819
	-5	(18,819)
IDR	+5	13,428
	-5	(13,428)
KRW	+5	9,327
	-5	(9,327)
PHP	+5	3,526
	-5	(3,526)
SGD	+5	3,989
	-5	(3,989)
THB	+5	4,949
	-5	(4,949)
USD	+5	10,668
	-5	(10,668)

UNITED-i ASIA ESG INCOME FUND

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Fund can invest up to 100% of its net asset value in money market instruments and fixed income instruments. As such the Fund would be exposed to the risk of bond issuers and financial institutions defaulting on its repayment obligations which in turn would affect the net asset value of the Fund. This risk is mitigated by spreading the investments across several financial institutions or issuers, and investing in financial institutions or issuers with a minimum short-term rating by any global or local domestic rating agency which indicates strong capacity for timely payment of obligations, or a minimum short-term rating which indicates high safety for timely payment of financial obligations.

An economic recession may adversely affect an issuer's financial condition and the market value of fixed income securities and/or money market instruments issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts. All this may impact the valuation of the Fund or result in the Fund experiencing losses.

(i) Credit quality of financial assets

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

	Cash at bank	Other financial assets*	Total	As a percentage of NAV
2021	RM	RM	RM	%
Credit rating				
AA1	997,366	-	997,366	30.97
NR	-	256,884	256,884	7.98
	<u>997,366</u>	<u>256,884</u>	<u>1,254,250</u>	<u>38.95</u>

* Comprise amount due from brokers, amount due from Manager and dividend receivables.

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

UNITED-i ASIA ESG INCOME FUND

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity risk

In the event of unexpectedly large realisations of units, there may be a possibility that the assets of the 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 Manager of the Fund will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.

Liquidity risk refers to the ease of liquidating an investment depending on the investment's volume traded in the market. If the Fund hold securities that are illiquid, or are difficult to dispose of, the value of the Fund may be negatively affected when it has to sell such securities at an unfavourable price.

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

	Contractual cash flows (undiscounted)				
	No maturity RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	More than 5 years RM
2021					
Financial assets					
Investments*	1,965,968	-	-	-	-
Amount due from brokers	-	214,063	-	-	-
Amount due from Manager	-	42,621	-	-	-
Dividend receivables	-	200	-	-	-
Cash at bank	997,366	-	-	-	-
Total financial assets	<u>2,963,334</u>	<u>256,884</u>	<u>-</u>	<u>-</u>	<u>-</u>

* The Fund's investments in quoted shares have no maturity period.

UNITED-*i* ASIA ESG INCOME FUND

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Equity risk

As the Fund will be investing in Shariah-compliant equities, the Fund will be affected by equity risk. Generally, equity risk may arise in the following forms, i.e., equity risks related to external factors and equity risks related to company-specific factors. All of these related equity risks can adversely affect the prices of equities, which would negatively impact the performance of the Fund.

(g) Country risk

The Fund is also subject to country risk. The value of the assets of the Fund may also be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest in. Further, when investing in foreign markets, there are countries which may require prior approvals before investments can take place.

15. 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 5(a), 5(b) and 5(c).

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

16. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises liquid assets that are placed in the Shariah-compliant investments and/or instruments.

17. COMPARATIVE FIGURES

There are no comparative figures presented as this is the Fund's first set of annual financial statements since its commencement on 8 February 2021.

(G) CORPORATE INFORMATION

Manager	UOB Asset Management (Malaysia) Berhad 199101009166 (219478-X) Level 22, Vista Tower The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2732 1181 Fax: 03-2164 8188 Website: www.uobam.com.my
Board of Directors	Mr Wong Kim Choong Mr Thio Boon Kiat (alternate to Mr Wong Kim Choong) Mr Seow Lun Hoo Mr Seow Voon Ping (alternate to Mr Seow Lun Hoo) Mr Wong Yoke Leong Mr Lim Kheng Swee En Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
Trustee	Deutsche Trustees Malaysia Berhad 200701005591 (763590-H)
Investment Manager	UOB Islamic Asset Management Sdn Bhd
Shariah Adviser	Amanie Advisors Sdn Bhd
Auditor of the Fund	Ernst & Young
Tax Adviser of the Fund	Deloitte Tax Services Sdn Bhd

This page is intentionally left blank.

This page is intentionally left blank.

This page is intentionally left blank.