



United Gold & General Fund

Semi Annual Report

for the half year ended
31 December 2020

United Gold & General Fund

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

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Eric Tham Kah Jin

Peh Kian Heng

Thio Boon Kiat

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

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

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

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Singapore 018936

SUB-MANAGER

Ninety One Singapore Pte. Limited (Formerly known as Investec Asset Management Singapore Pte Limited)

25 Duxton Hill

#03-01

Singapore 089608

United Gold & General Fund

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A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 28 July 1995 Ann Comp Ret
United Gold & General Fund	-4.25	0.68	22.87	14.58	20.81	-3.50	2.37
Benchmark	-3.97	1.58	25.23	16.28	23.03	-2.11	3.91

Source: Morningstar.

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

The benchmark of the Fund: Since inception – Jan 97: 100% FT Gold Mines; Feb 97 – June 01: 75% MSCI Gold Mines, 25% MSCI Metals Non-Ferrous; July 01 – Dec 13: 70% FT Gold, 30% HSBC GM; Jan 14 – Present: 70% FT Gold, 30% Euromoney Global Mining (formerly known as HSBC GM).

The Fund delivered a positive return and underperformed its benchmark in the six months to the end of December 2020.

At the stock level, the main contributors to relative returns included an *underweight* in **Barrick Gold Corp**, which lagged the benchmark mostly on sentiment towards the gold sector overall as there was no major company-specific news driving the stock. We also benefited from *overweights* in diversified miner **BHP Group PLC** and copper-focused **Oz Minerals Ltd**, largely due to the improving demand outlook for industrial metals. An *overweight* in **IGO Ltd** also contributed as the share performed strongly on news of its acquisition of just under half the stake of Tianqi stake in lithium miner as well as and Talison in **Australia**. The transactions make **IGO Ltd** an important global supplier of lithium regarded as key to the clean-energy transition, given its use in batteries.

The main detractors included an *overweight* in **OceanaGold Corp**, whose shares declined in the third quarter after the company raised US\$150 million while still waiting for approval to restart its Didipio mine in the **Philippines**. The stock recovered well in the final quarter on news that the Philippine president was pushing for the mine to be restarted, but not sufficiently by year-end to catch up with the benchmark. All of the other main detractors were due to underweighting large mining companies – namely **Vale**, **Freeport-McMoRan** and **Rio Tinto Plc** – whose shares performed strongly due to the significant gains for iron ore, copper and other industrial metals as vaccine breakthroughs brought hopes of a sustained economic recovery and consequent stronger demand for these commodities.

Economic and Market Review

The gold price rose about 6.6% in the six months to the end of December 2020 to close the year at approximately US\$1,898/troy ounce. Accumulative gain for the full calendar year was 24%, the largest annual appreciation of the precious metal since 2010.

A) Fund Performance (continued)

The bullish rally was checked in November on news of vaccine breakthroughs for the coronavirus (COVID-19) which encouraged risk-on sentiments. However, by December, the upward momentum resumed on expectations of more **US** stimulus under a new Biden administration which portends a weaker US dollar and higher inflation even as virus cases worldwide started to climb again towards year-end with reports of a new and more infectious variant of the novel virus.

Another notable development during the period under review was the news that Warren Buffett, a long-time sceptic of gold as an investment, had acquired a US\$500 million stake in **Barrick Gold Corp** due in part to the potential of gold producers to raise dividends when many other sectors are forced to cut payouts amid the pandemic.

Industrial metals had also advanced strongly over the same period with copper, nickel and aluminum all rising by 20% to 30%. Iron ore gained about 56%, bringing full-year gains for the commodity to about 65%, amid strong steel demand from a rapidly recovering **China** from the pandemic and constrained supply from **Brazil**, the world's second-largest supplier of the commodity due to pandemic lockdowns that pared mining activities.

Outlook and strategy

Gold price has settled back after the break above US\$2,000/oz in August last year. Having hit a low of US\$1,775/ounce at end November, it has recovered to the mid-US\$1,800s/oz range supported by a weaker US dollar. We believe prices could remain range-bound over the first quarter of 2021. There are however expectations of more upside if higher inflation numbers are not countered by any rate increases from the US Federal Reserve (Fed). As real rates sink deeper into negative territory, we can expect gold prices pick up again, buoyed by a weakening US dollar.

Gold equities are enjoying their best margins in real terms for nearly 40 years, and final quarter results for 2020 saw record cash flows for a number of companies which was enhanced by many companies increasing or initiating dividends as well as buybacks. Dividend yields for the sector are forecast to move close to 2% on average in 2021, almost double the levels of the previous year.

We continue to maintain close to 100% exposure to gold and silver companies in the portfolio as we see good upside at current prices and are comforted by the strength of balance sheets. We are mindful that cost pressures are building, due to COVID-19 measures as well as rising raw material and energy costs. The former should begin to abate later as the year progresses while the latter, we expect would be to be more than offset by rising gold prices if the spectre of inflation emerges.

Following the strong gains in bullion and gold equities over the past two years, it is natural for investors to be more cautious about future performance. We believe that as in the case in late 2009 and early 2010, both gold and gold equities may be taking a pause after the initial recovery from the crisis and may rally to new heights given the right backdrop of loose monetary conditions.

A) Fund Performance (continued)

For base metals and bulks, prices have been strong in recent months with iron-ore and steel prices back to levels not seen for nearly a decade amid tight supply among producers. Copper prices have risen above US\$8000/tonne for the first time since 2013 and other metals are similarly above their long-term averages. With capital spending cut back by mining companies in recent years, supply growth remains muted for most metals. Prices look set to stay elevated unless demand falters. Support for precious metal prices will also come from a weaker US dollar while inflation concerns will encourage investors to keep or add to gold holdings and likewise with silver and platinum which will also benefit from growth in industrial usage.

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2020 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Australia	53,116,107	25.39
Canada	71,727,390	34.28
Cote D'Ivoire	7,970,250	3.81
Egypt	3,489,380	1.67
Luxembourg	3,543,787	1.69
Russia	8,122,038	3.88
South Africa	14,447,721	6.91
United Kingdom	27,058,203	12.93
United States	18,063,014	8.63
Portfolio of investments	207,537,890	99.19
Other net assets/(liabilities)	1,689,829	0.81
Total	209,227,719	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Materials	207,537,890	99.19
Portfolio of investments	207,537,890	99.19
Other net assets/(liabilities)	1,689,829	0.81
Total	209,227,719	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	207,537,890	99.19
Other net assets/(liabilities)	1,689,829	0.81
Total	209,227,719	100.00

iv) Credit rating of quoted bonds

N/A

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C) Top Ten Holdings

10 largest holdings as at 31 December 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
NEWMONT CORP	18,063,014	8.63
AGNICO EAGLE MINES LTD	16,758,162	8.01
BHP GROUP PLC	16,561,963	7.92
KIRKLAND LAKE GOLD LTD	13,611,605	6.50
SSR MINING INC (SSRM US)	10,515,152	5.03
ANGLO AMERICAN PLC	8,623,462	4.12
NEWCREST MINING LTD	8,494,608	4.06
BARRICK GOLD CORP	8,378,740	4.00
ENDEAVOUR MINING CORP	7,970,250	3.81
NORTHERN STAR RESOURCES LTD	7,505,017	3.59

10 largest holdings as at 31 December 2019

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
AGNICO EAGLE MINES LTD	16,274,869	9.22
BHP GROUP PLC	15,354,055	8.70
BARRICK GOLD CORP	12,379,386	7.02
ANGLOGOLD ASHANTI LTD	11,853,197	6.72
NEWMONT GOLDCORP CORP	8,313,767	4.71
ANGLO AMERICAN PLC	8,116,726	4.60
WHEATON PRECIOUS METALS CORP	8,097,156	4.59
B2GOLD CORP	8,062,016	4.57
FRANCO-NEVADA CORP	7,856,212	4.45
NORTHERN STAR RESOURCES LTD	7,509,663	4.26

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D) Exposure to derivatives

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

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

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2020

	Contract or underlying principal amount	Positive fair value	% of NAV	Negative fair value	% of NAV
	\$	\$		\$	
Foreign currency contracts	1,504,235	2,741	-*	1,094	-*

* denotes amount less than 0.01%

- ii) There was a net realised gain of SGD 23,101 on derivative contracts during the financial period from 1 July 2020 to 31 December 2020.
- iii) There was a net unrealised gain of SGD 1,647 on outstanding derivative contracts marked to market as at 31 December 2020.

E) Amount and percentage of NAV invested in other schemes as at 31 December 2020

N/A

F) Amount and percentage of borrowings to NAV as at 31 December 2020

N/A

G) Amount of redemptions and subscriptions for the financial period from 1 July 2020 to 31 December 2020

Total amount of redemptions	SGD	54,283,333
Total amount of subscriptions	SGD	95,474,059

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H) The amount and terms of related-party transactions for the financial period from 1 July 2020 to 31 December 2020

i) As at 31 December 2020, the Fund maintained current accounts with its related party as follows:

State Street Bank and Trust Company, Singapore Branch

Cash and bank balances	SGD	7,852,997
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ii) Investment in Initial Public Offerings managed by UOB Group

N/A

iii) As at 31 December 2020, there was no brokerage income earned by UOB Kay Hian Pte Ltd.

I) Expense ratios

	2020	2019
	\$	\$
Total operating expenses	3,271,164	2,871,134
Average daily net asset value	<u>181,406,354</u>	<u>158,968,042</u>
Expense ratio	<u>1.80%</u>	<u>1.81%</u>

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Fund's expense ratio at 31 December 2020 was based on total operating expenses divided by the average net asset value respectively for the financial period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

J) Turnover ratios

	2020	2019
	\$	\$
Lower of total value of purchases or sales	56,136,154	66,948,160
Average daily net assets value	<u>204,318,541</u>	<u>159,992,989</u>
Turnover ratio	<u>27.47%</u>	<u>41.84%</u>

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

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

N/A

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

- i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2020 and 31 December 2019

N/A

- ii) Expense ratios for the financial period ended 31 December 2020 and 31 December 2019

N/A

- iii) Turnover ratios for the financial period ended 31 December 2020 and 31 December 2019

N/A

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

M) Soft dollar commissions/arrangements

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

The Sub-Manager (Ninety One Singapore Pte. Limited (Formerly known as Investec Asset Management Singapore Pte Limited)) and the Sub-Investment Manager (Ninety One UK Limited (Formerly known as Investec Asset Management Limited)) do not receive or intend to receive soft dollars in respect of the sub-management of the Fund.

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

N/A

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STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2020 (Un-audited)

	31 December 2020 \$	31 December 2019 \$
Income		
Dividends	1,858,751	1,535,684
Interest	38	4,307
Other income	102	-
Total	<u>1,858,891</u>	<u>1,539,991</u>
Less: Expenses		
Management fee	1,540,500	1,207,686
Trustee fee	35,989	27,631
Audit fee	8,030	8,251
Registrar fee	128,375	94,113
Custody fee	47,565	41,292
Transaction costs	153,429	127,152
Interest expenses	-	1,622
Other expenses	92,952	81,970
Total	<u>2,006,840</u>	<u>1,589,717</u>
Net income/(losses)	<u>(147,949)</u>	<u>(49,726)</u>
Net gains/(losses) on value of investments and financial derivatives		
Net gains/(losses) on investments	(570,404)	17,488,680
Net gains/(losses) on financial derivatives	24,748	(62,335)
Net foreign exchange gains/(losses)	(389,450)	2,193
	<u>(935,106)</u>	<u>17,428,538</u>
Total return/(deficit) for the financial period before income tax	(1,083,055)	17,378,812
Less: Income tax	<u>(200,637)</u>	<u>(109,818)</u>
Total return/(deficit) for the financial period	<u>(1,283,692)</u>	<u>17,268,994</u>

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2020 (Un-audited)

	31 December 2020 \$	30 June 2020 \$
Assets		
Portfolio of investments	207,537,890	165,268,647
Receivables	1,076,868	645,648
Cash and bank balances	7,852,997	5,793,686
Financial derivatives at fair value	2,741	-
Total assets	<u>216,470,496</u>	<u>171,707,981</u>
Liabilities		
Purchases awaiting settlement	1,946,353	-
Payables	5,295,330	2,387,296
Financial derivatives at fair value	1,094	-
Total liabilities	<u>7,242,777</u>	<u>2,387,296</u>
Equity		
Net assets attributable to unitholders	<u>209,227,719</u>	<u>169,320,685</u>

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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 31 December 2020 (Un-audited)

	31 December 2020 \$	30 June 2020 \$
Net assets attributable to unitholders at the beginning of the financial period/year	169,320,685	155,020,689
Operations		
Change in net assets attributable to unitholders resulting from operations	(1,283,692)	50,401,021
Unitholders' contributions/(withdrawals)		
Creation of units	95,474,059	75,385,648
Cancellation of units	<u>(54,283,333)</u>	<u>(111,486,673)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	41,190,726	(36,101,025)
Total increase/(decrease) in net assets attributable to unitholders	<u>39,907,034</u>	<u>14,299,996</u>
Net assets attributable to unitholders at the end of the financial period/year	<u>209,227,719</u>	<u>169,320,685</u>

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STATEMENT OF PORTFOLIO

As at 31 December 2020 (Un-audited)

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography - Primary			
Quoted equities			
AUSTRALIA			
CHAMPION IRON LTD	535,068	2,558,921	1.22
EVOLUTION MINING LTD	537,975	2,737,787	1.31
GLENCORE PLC	958,116	4,033,136	1.93
IGO LTD	675,975	4,398,334	2.10
NEWCREST MINING LTD	323,090	8,494,608	4.06
NORTHERN STAR RESOURCES LTD	579,900	7,505,017	3.59
OZ MINERALS LTD	222,746	4,288,929	2.05
PERSEUS MINING LTD	3,253,160	4,313,062	2.06
RESOLUTE MINING LTD	2,616,610	2,121,500	1.01
SARACEN MINERAL HOLDINGS LTD	1,399,509	6,779,634	3.24
ST BARBARA LTD	1,482,564	3,568,308	1.71
WESTGOLD RESOURCES LTD	860,520	2,316,871	1.11
TOTAL AUSTRALIA		53,116,107	25.39
CANADA			
AGNICO EAGLE MINES LTD	180,310	16,758,162	8.01
B2GOLD CORP	930,000	6,878,908	3.29
BARRICK GOLD CORP	278,297	8,378,740	4.00
IAMGOLD CORP	546,451	2,650,536	1.27
KIRKLAND LAKE GOLD LTD	249,446	13,611,605	6.50
OCEANAGOLD CORP	1,584,789	4,044,395	1.93
PAN AMERICAN SILVER CORP	45,682	2,083,563	1.00
PRETIUM RESOURCES INC	203,017	3,072,803	1.47
SSR MINING INC (SSRM CN)	690	18,296	0.01
SSR MINING INC (SSRM US)	395,628	10,515,152	5.03

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STATEMENT OF PORTFOLIO

As at 31 December 2020 (Un-audited)

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography - Primary (continued)			
Quoted equities			
CANADA (continued)			
TERANGA GOLD CORP	262,173	<u>3,715,230</u>	<u>1.77</u>
TOTAL CANADA		<u>71,727,390</u>	<u>34.28</u>
COTE D'IVOIRE			
ENDEAVOUR MINING CORP	259,382	7,970,250	3.81
EGYPT			
CENTAMIN PLC	1,561,384	3,489,380	1.67
LUXEMBOURG			
ARCELORMITTAL SA	116,072	3,543,787	1.69
RUSSIA			
POLYMETAL INTERNATIONAL PLC	193,571	5,890,880	2.81
SEVERSTAL PJSC - GDR REG S	96,082	<u>2,231,158</u>	<u>1.07</u>
TOTAL RUSSIA		<u>8,122,038</u>	<u>3.88</u>
SOUTH AFRICA			
ANGLOGOLD ASHANTI LTD	235,577	7,260,231	3.47
GOLD FIELDS LTD	580,660	<u>7,187,490</u>	<u>3.44</u>
TOTAL SOUTH AFRICA		<u>14,447,721</u>	<u>6.91</u>

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STATEMENT OF PORTFOLIO

As at 31 December 2020 (Un-audited)

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography - Primary (continued)			
Quoted equities			
UNITED KINGDOM			
ANGLO AMERICAN PLC	196,875	8,623,462	4.12
BHP GROUP PLC	476,225	16,561,963	7.92
SOLGOLD PLC	3,199,429	<u>1,872,778</u>	<u>0.89</u>
TOTAL UNITED KINGDOM		<u>27,058,203</u>	<u>12.93</u>
UNITED STATES			
NEWMONT CORP	228,202	<u>18,063,014</u>	<u>8.63</u>
Total Equities		<u>207,537,890</u>	<u>99.19</u>
Portfolio of investments		207,537,890	99.19
Other net assets/(liabilities)		<u>1,689,829</u>	<u>0.81</u>
Net assets attributable to unitholders		<u>209,227,719</u>	<u>100.00</u>

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STATEMENT OF PORTFOLIO

As at 31 December 2020 (Un-audited)

	Percentage of total net assets attributable to unitholders at 31 December 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography - Primary (Summary)		
Quoted equities		
Australia	25.39	17.39
Canada	34.28	38.13
Cote D'Ivoire	3.81	4.38
Egypt	1.67	2.17
Luxembourg	1.69	-
Russia	3.88	3.04
South Africa	6.91	11.50
United Kingdom	12.93	13.24
United States	8.63	7.76
Portfolio of investments	99.19	97.61
Other net assets/(liabilities)	0.81	2.39
Net assets attributable to unitholders	100.00	100.00

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	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry - Secondary Quoted equities			
Materials	<u>207,537,890</u>	<u>99.19</u>	<u>97.61</u>
Portfolio of investments	<u>207,537,890</u>	<u>99.19</u>	<u>97.61</u>
Other net assets/(liabilities)	<u>1,689,829</u>	<u>0.81</u>	<u>2.39</u>
Net assets attributable to unitholders	<u>209,227,719</u>	<u>100.00</u>	<u>100.00</u>

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