



# United Gold & General Fund

## Annual Report

for the financial year ended  
30 June 2019



## **United Gold & General Fund**

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

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### **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**

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

East Tower, Level 12

Singapore 018936

### **SUB-MANAGER**

Investec Asset Management Singapore Pte Limited

25 Duxton Hill

#03-01

Singapore 089608

# United Gold & General Fund

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

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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	13.38	19.62	10.03	2.61	2.94	-2.52	1.20
Benchmark	13.55	23.30	16.08	3.92	4.36	-1.59	2.73

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).*

For the twelve months ended 30 June 2019, the Fund's net asset value (NAV) **increased by 10.03%**, compared with a 16.08% gain in the composite benchmark index, in Singapore Dollar terms. The benchmark index comprises 70% FT Gold Mines Index and 30% Euromoney Global Mining Index.

During the period under review, the FT Gold Mines Index rose 19.5% compared with a 4.1% appreciation in the EMIX Global Mining Index, in Singapore Dollar terms. Physical gold climbed 11.7% in Singapore Dollar terms over the same period. The Fund maintained a moderately *overweight* position in **Gold** equities for the majority of the reporting period.

The Fund believes the outlook for US real interest rates was the dominant factor influencing gold prices. In the first half of the period, the US Federal Open Market Committee (FOMC), as part of its interest rate normalisation effort, raised policy rates twice despite variability in US economic data and direct opposition to public remarks made by President Trump. This resulted in gold prices dropping as much as 5% over the period. The US Treasury market began to discount the likelihood that the Federal Reserve would have to pause its monetary tightening in December 2018. This was confirmed by Fed Chairman Powell after the agency's January meeting where he kept interest rates unchanged at 2.5% and promised to be "patient" in future rate hikes. The Fed also signaled that it would be flexible in the pace of reducing its balance sheet, which was previously seen as a further tightening on liquidity in the system. The dovish stance sparked a rally in risk assets and removed the headwind for gold, resulting in almost 10% rally in gold prices in the two months between December and January.

Other factors influencing sentiment towards gold-related assets over the period were the geo-political uncertainty, especially around the US-China trade dispute and potentially negative developments in Europe and the Middle East. Although the European Central Bank ("ECB") kept interest rates on its main refinancing operations at record low levels, anti-European Union sentiment increased in **Italy** and **France** in the second-half of 2018, and Brexit remained a major source of volatility.

## **A) Fund Performance** (continued)

As **US** Treasury yield fell in the first-half of 2019 on the back of investors' risk aversion, real interest rate, which had risen for the whole of 2018 as Fed hiked rate, fell back to near zero. With the escalation of the US-China trade tiff in May this year which saw the **US** government putting Chinese telecommunications giant **Huawei** on the Entity List, effectively restricting the sale of its equipment in the **US** and its ability to purchase critical components from the **US** as well as weakening economic data globally, market started to discount rate cuts by the Fed. The change in sentiment provided a strong boost to gold, with gold price gaining as much as 11% in June.

The Euromoney Global Mining Index was lacklustre during the reporting period, as sentiment was dragged down by the uncertainty caused by the ongoing US-China trade dispute and the slowing global economy. Among industrial metals, iron ore saw some recovery this year after the sell-off last year on the back of better-than-expected demand from Chinese steelmakers and a supply squeeze resulting from the closure of a Vale mine in Brazilian after a major accident. Copper fell by approx. 10% during the period as global growth outlook dimmed.

As at 30 June 2019, the Fund held 75.15% in **Gold** equities, 1.02% in **Silver** equities, 22.47% in **Diversified Metals & Mining** equities and 1.36% in others.

In terms of country allocation, the Fund was invested 41.75% in **Canada**, 21.67% in **Australia**, 18.71% in the **United Kingdom**, 7.46% in the **United States**, 12.45% in other countries and held -2.04% cash.

## **Economic and Market Review**

Gold prices started the period at around US\$1,250 per ounce (oz.) and fell below US\$1,200/oz. as interest rate climbed. Prices started to rise in November, as geopolitical uncertainties escalated and US Treasury yield fell, to reach as high as US\$1,340/oz. in February. It then fluctuated around US\$1,300/oz. for the next few months, until the escalation of the trade tension between China and the US drove another rally in gold, which saw prices reaching as high as US\$1,440/oz. at one point in June, before closing at S\$1,409/oz. for the month.

It was the first time gold had been over US\$1,400/oz. in almost six years. This represents a major technical break: the metal has failed to exceed US\$1,365/oz. approximately eight times in the last five years. The break out was largely due to dovish commentary from the US Federal Reserve (Fed), poor economic data and some weakening of the US dollar from its May highs.

Overall, gold rose 12.5% in US Dollar term during the twelve month period, outperforming the MSCI Asia Ex-Japan index (-0.2% return in US Dollar terms) as well as the MSCI All Country World Index (+6.4% return in US Dollar terms). The value of gold as a safe haven asset was demonstrated especially in May 2019 when US-China trade war rhetoric was at its peak. Gold rose 1.7% that month while the MSCI All Country World and MSCI Asia Ex-Japan fell 5.9% and 8.5% respectively.

Investor demand for gold was strong, with exchange traded fund (ETF) holdings rising to 74.2 million ounces at the end of June from 71.1 million ounces at the start of the year. Net long position on Comex spiked to approximately 302.9 million ounces at the end of June from 166.6 million ounces at the beginning of the year, the highest level since September 2016.

**A) Fund Performance** (continued)

Iron ore prices surged to a five-year high at end June on the back of low inventory at China steelmakers. Market also expected fiscal stimulus from the Chinese government to further drive demand for steel in the country. This coincided with the supply squeeze from the closure of Vale's Brazilian mine. The performance of other metals was mixed in the quarter.

**Outlook and Fund Strategy**

The main headwind for gold prices in recent years has been the strength of the US Dollar, which means gold in many other currencies is at record levels, deterring buyers in those countries. Though the dollar remains much stronger than in early 2018, any weakening could spur gold prices in the second half of this year. More broadly, we believe the downside for gold is limited, given support for the precious metal from slowing global growth and equity market volatility. Looking beyond the gold price, gold-related companies are in good financial condition. After years of restructuring and balance sheet improvement, a good number of companies globally are well-placed to generate sustainable returns at prices well below current levels. Management teams are much more focused on capital allocation and cost control, which should improve returns on capital employed. As returns have improved and debt has been reduced, companies have begun to increase cash returns to shareholders via dividends and/or buybacks. We expect this discipline to continue.

The absence of a US-China trade agreement and weaker growth globally will continue to suppress metal demand in the short term. However, the lack of investment in production even to sustain existing output limits the risk of oversupply. A resolution to the trade dispute would immediately lift prices for base metals particularly. But in the medium term, prices could trade sideways until a cyclical recovery takes effect. That said, the risk remains to the upside for many metals, not least because a new US election cycle is starting and China remains committed to maintaining growth. We maintain our preference for high quality companies with good assets and the ability to deliver sustainable returns and cash flows.

## United Gold & General Fund

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### B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2019 under review classified by

#### i) Country

	Fair Value (S\$)	% of NAV
Australia	33,600,575	21.67
Canada	64,718,202	41.75
Cote D'Ivoire	4,015,673	2.59
Egypt	2,105,840	1.36
Jersey CI	2,884,501	1.86
Russia	3,237,237	2.09
South Africa	7,051,239	4.55
United Kingdom	29,011,676	18.71
United States	11,564,622	7.46
Portfolio of investments	158,189,565	102.04
Other net assets/(liabilities)	(3,168,876)	(2.04)
<b>Total</b>	<b>155,020,689</b>	<b>100.00</b>

#### ii) Industry

	Fair Value (S\$)	% of NAV
Materials	155,305,064	100.18
Unit Trusts	2,884,501	1.86
Portfolio of investments	158,189,565	102.04
Other net assets/(liabilities)	(3,168,876)	(2.04)
<b>Total</b>	<b>155,020,689</b>	<b>100.00</b>

#### iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted unit trusts	2,884,501	1.86
Quoted equities	155,305,064	100.18
Other net assets/(liabilities)	(3,168,876)	(2.04)
<b>Total</b>	<b>155,020,689</b>	<b>100.00</b>

## United Gold & General Fund

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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2019 under review classified by (continued)**

**iv) Credit rating of quoted bonds**

N/A

**C) Top Ten Holdings**

10 largest holdings as at 30 June 2019

	<b>Fair Value (S\$)</b>	<b>Percentage of total net assets attributable to unitholders %</b>
NEWCREST MINING LTD	15,071,693	9.72
BARRICK GOLD CORP	14,659,660	9.46
AGNICO EAGLE MINES LTD	14,310,305	9.23
BHP GROUP PLC	13,430,097	8.66
NEWMONT GOLDCORP CORP	10,583,438	6.83
KIRKLAND LAKE GOLD LTD	7,996,508	5.16
RIO TINTO PLC	7,344,273	4.74
ANGLOGOLD ASHANTI LTD	7,051,239	4.55
ANGLO AMERICAN PLC	6,568,737	4.24
NORTHERN STAR RESOURCES LTD	6,194,087	4.00



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**C) Top Ten Holdings** (continued)

10 largest holdings as at 30 June 2018

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
NEWMONT MINING CORP	13,111,484	7.40
TECK RESOURCES LTD	8,678,326	4.90
GOLDCORP INC	8,419,194	4.75
RIO TINTO PLC	7,940,603	4.48
BARRICK GOLD CORP	7,161,102	4.04
OCEANAGOLD CORP	6,620,819	3.74
FIRST MAJESTIC SILVER CORP	6,242,103	3.52
NORTHERN STAR RESOURCES LTD	6,216,800	3.51
EVOLUTION MINING LTD	6,188,088	3.49
SARACEN MINERAL HOLDINGS LTD	6,177,510	3.49

**D) Exposure to derivatives**

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2019

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Foreign currency contracts	6,692,211	1,298	-*	8,787	0.01

\* denotes amount less than 0.01%

ii) There was a net realised loss of SGD 231,025 on derivative contracts during the financial year ended 30 June 2019.

iii) There was a net unrealised loss of SGD 7,489 on outstanding derivative contracts marked to market as at 30 June 2019.

**E) Amount and percentage of NAV invested in other schemes as at 30 June 2019**

Please refer to the Statement of Portfolio.

**F) Amount and percentage of borrowings to NAV as at 30 June 2019**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 30 June 2019**

Total amount of redemptions	SGD	83,243,292
Total amount of subscriptions	SGD	46,137,346

**H) The amount and terms of related-party transactions for the financial year ended 30 June 2019**

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

**I) Expense ratios**

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

**J) Turnover ratios**

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

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

N/A

**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")<sup>1</sup> should be disclosed as well**

**i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2019 and 30 June 2018**

N/A

**ii) Expense ratios for the financial year ended 30 June 2019 and 30 June 2018**

N/A

**iii) Turnover ratios for the financial year ended 30 June 2019 and 30 June 2018**

N/A

<sup>1</sup> 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.

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### **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 (Investec Asset Management Singapore Pte Limited) and the Sub-Investment Manager (Investec Asset Management Limited) do not receive or intend to receive soft dollars in respect of the sub-management of the Fund.

### **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

## **REPORT OF THE TRUSTEE**

The Trustee is under a duty to take into custody and hold the assets of United Gold & General Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 15 to 43, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory  
20 September 2019

**United Gold & General Fund**  
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**STATEMENT BY THE MANAGER**

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 15 to 43, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of United Gold & General Fund (the "Fund") as at 30 June 2019, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT  
Authorised signatory  
20 September 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GOLD & GENERAL FUND**

### ***Our Opinion***

In our opinion, the accompanying financial statements of United Gold & General Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2019, and of the financial performance and movements of unitholders' funds for the financial year ended on that date.

### ***What we have audited***

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2019;
- the Statement of Financial Position as at 30 June 2019;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2019;
- the Statement of Portfolio as at 30 June 2019; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

### ***Basis for Opinion***

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

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

### ***Independence***

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

### ***Other Information***

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

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GOLD & GENERAL FUND**

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

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

### ***Responsibilities of the Manager for the Financial Statements***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GOLD & GENERAL FUND**

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

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

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 20 September 2019



**United Gold & General Fund**  
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**STATEMENT OF TOTAL RETURN**

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Income</b>			
Dividends		3,428,922	1,976,764
Interest		8,151	3,636
Other income		<u>201,600</u>	-
<b>Total</b>		<u>3,638,673</u>	<u>1,980,400</u>
<b>Less: Expenses</b>			
Management fee	10	2,402,062	2,639,557
Trustee fee	10	55,737	61,443
Audit fee		14,847	14,599
Registrar fee	10	187,226	219,385
Custody fee	10	63,252	72,977
Transaction costs		600,028	338,098
Interest expenses		-	886
Other expenses		<u>140,871</u>	<u>220,351</u>
<b>Total</b>		<u>3,464,023</u>	<u>3,567,296</u>
<b>Net income/(losses)</b>		<u>174,650</u>	<u>(1,586,896)</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		15,280,413	21,186,736
Net gains/(losses) on financial derivatives		(238,514)	(79,955)
Net foreign exchange gains/(losses)		<u>74,336</u>	<u>(125,907)</u>
		<u>15,116,235</u>	<u>20,980,874</u>
<b>Total return/(deficit) for the year before income tax</b>		15,290,885	19,393,978
Less: Income tax	3	<u>(311,431)</u>	<u>(176,166)</u>
<b>Total return/(deficit) for the year</b>		<u>14,979,454</u>	<u>19,217,812</u>

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

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**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>Assets</b>			
Portfolio of investments		<b>158,189,565</b>	174,889,027
Sales awaiting settlement		<b>4,041,882</b>	-
Receivables	4	<b>984,194</b>	554,308
Cash and bank balances		<b>3,575,469</b>	2,930,037
Financial derivatives at fair value	6	<b>1,298</b>	-
<b>Total assets</b>		<b><u>166,792,408</u></b>	<b><u>178,373,372</u></b>
<b>Liabilities</b>			
Purchases awaiting settlement		<b>1,996,474</b>	-
Payables	5	<b>9,766,458</b>	1,226,133
Financial derivatives at fair value	6	<b>8,787</b>	58
<b>Total liabilities</b>		<b><u>11,771,719</u></b>	<b><u>1,226,191</u></b>
<b>Equity</b>			
<b>Net assets attributable to unitholders</b>	7	<b><u>155,020,689</u></b>	<b><u>177,147,181</u></b>

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

**United Gold & General Fund**  
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**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS**

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>177,147,181</b>	171,300,331
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>14,979,454</b>	19,217,812
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>46,137,346</b>	60,919,340
Cancellation of units		<u><b>(83,243,292)</b></u>	<u>(74,290,302)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(37,105,946)</b>	(13,370,962)
Total increase/(decrease) in net assets attributable to unitholders		<u><b>(22,126,492)</b></u>	<u>5,846,850</u>
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<u><b>155,020,689</b></u>	<u>177,147,181</u>

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

# United Gold & General Fund

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

## STATEMENT OF PORTFOLIO

As at 30 June 2019

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
<b>By Geography - Primary</b>			
<b>Quoted unit trusts</b>			
<b>JERSEY CI</b>			
ETFS PHYSICAL PALLADIUM	4,910	969,211	0.62
ETFS PHYSICAL PLATINUM	18,082	<u>1,915,290</u>	<u>1.24</u>
<b>TOTAL JERSEY CI</b>		<u><b>2,884,501</b></u>	<u><b>1.86</b></u>
<b>Quoted equities</b>			
<b>AUSTRALIA</b>			
AURELIA METALS LTD	1,094,264	514,270	0.33
EVOLUTION MINING LTD	1,095,318	4,534,098	2.92
INDEPENDENCE GROUP NL	135,519	607,304	0.39
NEWCREST MINING LTD	496,852	15,071,693	9.72
NICKEL MINES LTD	4,136,139	1,629,699	1.05
NORTHERN STAR RESOURCES LTD	559,999	6,194,087	4.00
RESOLUTE MINING LTD	951,893	1,206,517	0.78
SARACEN MINERAL HOLDINGS LTD	959,892	3,353,778	2.16
SYRAH RESOURCES LTD	585,432	<u>489,129</u>	<u>0.32</u>
<b>TOTAL AUSTRALIA</b>		<u><b>33,600,575</b></u>	<u><b>21.67</b></u>
<b>CANADA</b>			
AGNICO EAGLE MINES LTD	205,863	14,310,305	9.23
ALACER GOLD CORP	189,744	893,858	0.58
ALAMOS GOLD INC	395,761	3,237,049	2.09
B2GOLD CORP	1,398,704	5,763,657	3.72
BARRICK GOLD CORP	687,085	14,659,660	9.46

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

# United Gold & General Fund

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

## STATEMENT OF PORTFOLIO

As at 30 June 2019

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>CANADA (continued)</b>			
CENTERRA GOLD INC	169,170	1,614,892	1.04
KIRKLAND LAKE GOLD LTD	136,892	7,996,508	5.16
OCEANAGOLD CORP	631,933	2,342,304	1.51
OSISKO MINING INC	218,830	747,670	0.48
PAN AMERICAN SILVER CORP	47,482	829,348	0.53
PRETIUM RESOURCES INC	70,539	956,001	0.62
SSR MINING INC	258,338	4,777,917	3.08
TECK RESOURCES LTD	91,738	2,870,338	1.85
WHEATON PRECIOUS METALS CORP	23,350	763,880	0.49
YAMANA GOLD INC	859,613	<u>2,954,815</u>	<u>1.91</u>
<b>TOTAL CANADA</b>		<b><u>64,718,202</u></b>	<b><u>41.75</u></b>
<b>COTE D'IVOIRE</b>			
ENDEAVOUR MINING CORP	181,665	4,015,673	2.59
<b>EGYPT</b>			
CENTAMIN PLC	1,069,034	2,105,840	1.36
<b>RUSSIA</b>			
MMC NORILSK NICKEL PJSC	50,080	1,525,859	0.99
POLYMETAL INTERNATIONAL PLC	99,708	<u>1,711,378</u>	<u>1.10</u>
<b>TOTAL RUSSIA</b>		<b><u>3,237,237</u></b>	<b><u>2.09</u></b>

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

# United Gold & General Fund

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

## STATEMENT OF PORTFOLIO

As at 30 June 2019

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>SOUTH AFRICA</b>			
ANGLOGOLD ASHANTI LTD	289,328	7,051,239	4.55
<b>UNITED KINGDOM</b>			
ACACIA MINING PLC	353,099	1,077,986	0.69
ANGLO AMERICAN PLC	169,963	6,568,737	4.24
BHP GROUP PLC	387,076	13,430,097	8.66
RIO TINTO PLC	87,393	7,344,273	4.74
SOLGOLD PLC	1,071,822	590,583	0.38
<b>TOTAL UNITED KINGDOM</b>		<b>29,011,676</b>	<b>18.71</b>
<b>UNITED STATES</b>			
ALCOA CORP	30,979	981,184	0.63
NEWMONT GOLDCORP CORP	203,340	10,583,438	6.83
<b>TOTAL UNITED STATES</b>		<b>11,564,622</b>	<b>7.46</b>
<b>Total Equities</b>		<b>155,305,064</b>	<b>100.18</b>
<b>Portfolio of investments</b>		<b>158,189,565</b>	<b>102.04</b>
<b>Other net assets/(liabilities)</b>		<b>(3,168,876)</b>	<b>(2.04)</b>
<b>Net assets attributable to unitholders</b>		<b>155,020,689</b>	<b>100.00</b>

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

# United Gold & General Fund

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

## STATEMENT OF PORTFOLIO

As at 30 June 2019

	Percentage of total net assets attributable to unitholders at 30 June 2019 %	Percentage of total net assets attributable to unitholders at 30 June 2018 %
<b>By Geography - Primary (Summary)</b>		
<b>Quoted equities and unit trusts</b>		
Australia	21.67	22.61
Canada	41.75	48.51
Cote D'Ivoire	2.59	2.76
Egypt	1.36	-
Jersey CI	1.86	1.48
Russia	2.09	-
South Africa	4.55	1.38
Switzerland	-	2.94
United Kingdom	18.71	9.17
United States	7.46	9.88
<b>Portfolio of investments</b>	<b>102.04</b>	<b>98.73</b>
<b>Other net assets/(liabilities)</b>	<b>(2.04)</b>	<b>1.27</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

**United Gold & General Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT OF PORTFOLIO**

As at 30 June 2019

	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %	Percentage of total net assets attributable to unitholders at 30 June 2018 %
<b>By Industry - Secondary</b>			
<b>Quoted equities and unit trusts</b>			
Energy	-	-	1.55
Materials	155,305,064	100.18	97.18
Unit Trusts	<u>2,884,501</u>	<u>1.86</u>	-
<b>Portfolio of investments</b>	158,189,565	102.04	98.73
<b>Other net assets/(liabilities)</b>	<u>(3,168,876)</u>	<u>(2.04)</u>	1.27
<b>Net assets attributable to unitholders</b>	<u>155,020,689</u>	<u>100.00</u>	100.00

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



## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

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

### **1 General**

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

During the financial year ended 30 June 2019, the Fund has appointed Investec Asset Management Singapore Pte Limited as its sub-manager.

The primary activity of the Fund is that of investment trading. The main objective of the Fund is to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals, bulk commodities, base metals of all kinds, and other commodities, and it includes the mining or extraction of oil, gas, coal, alternative energy or other commodities or other minerals.

With effect from 1 March 2019, the following classes have been established within the Fund for subscription:

- Class A SGD Acc (denominated in Singapore Dollar)
- Class A SGD Acc (Hedged) (denominated in Singapore Dollar)
- Class A USD Acc (denominated in United States Dollar)

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

Subscriptions and redemptions of the units are denominated in the Singapore Dollar and the United States Dollar. Investors may subscribe in the United States Dollar at the applicable rate of exchange from the Singapore Dollar.

As at 30 June 2019, the Sub-Fund has only issued Class A SGD Acc.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

### **2 Significant accounting policies**

#### **(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets held at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

#### **(b) Recognition of income**

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

#### **(c) Investments**

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

##### *(i) Initial recognition*

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

##### *(ii) Subsequent measurement*

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

##### *(iii) Derecognition*

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

#### **(d) Basis of valuation of investments**

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the financial year end date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

### **2 Significant accounting policies (continued)**

#### **(d) Basis of valuation of investments (continued)**

The fair value of investments held in underlying funds is the quoted net asset value of the underlying funds as determined by the underlying funds' administrator. Net changes in fair value of investments are included in the Statement of Total Return in the year in which they arise.

#### **(e) Foreign currency translation**

##### *(i) Functional and presentation currency*

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in the Singapore Dollar and the United States Dollar.

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

##### *(ii) Transactions and balances*

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

#### **(f) Receivables**

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

#### **(g) Sales and purchases awaiting settlement**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

### **2 Significant accounting policies (continued)**

#### **(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

#### **(i) Payables**

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

#### **(j) Expenses charged to the Fund**

All direct expenses relating to the Fund are charged directly to the Statement of Total Return. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to the fund based on the fund's net asset value.

#### **(k) Financial derivatives**

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

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

#### **(l) Distributions**

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 2 Significant accounting policies (continued)

#### (m) Offsetting financial instruments

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

#### (n) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers all of their investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Fund invests in Investee Funds whose objectives range from achieving short to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds are managed by related asset managers and the Investee Funds apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Fund holds redeemable shares in each of its Investee Funds.

The change in fair value of the Investee Funds are included in the Statement of Total Return within "Net gains/losses on investments".

### 3 Income tax

	2019	2018
	\$	\$
Overseas income tax	311,431	176,166

**United Gold & General Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

**3 Income tax** (continued)

The Fund was granted the status of Designated Unit Trust ("DUT") in Singapore. The Trustee of the Fund ensures that the Fund fulfill their reporting obligations under the DUT Scheme.

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

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

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

**4 Receivables**

	<b>2019</b>	2018
	<b>\$</b>	\$
Amounts receivable for creation of units	<b>525,593</b>	545,780
Dividends receivable	<b>99,727</b>	8,528
Other receivables	<b>358,874</b>	-
	<b>984,194</b>	554,308

**United Gold & General Fund**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

**5 Payables**

	2019	2018
	\$	\$
Amount payable for cancellation of units	<b>9,061,356</b>	468,238
Amount due to the Manager	<b>592,227</b>	670,992
Amount due to Trustee	<b>13,819</b>	15,495
Tax payables	<b>16,346</b>	2,137
Other creditors and accrued expenses	<b>82,710</b>	69,271
	<b><u>9,766,458</u></b>	<b><u>1,226,133</u></b>

**6 Fair value of financial derivatives**

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

	2019		
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
Foreign currency contracts	<b>6,692,211</b>	<b>1,298</b>	<b>8,787</b>

	2018		
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
Foreign currency contracts	9,659	-	58

**United Gold & General Fund**  
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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 7 Units in issue

During the financial year ended 30 June 2019 and 2018, the numbers of units issued, redeemed and outstanding were as follows:

	2019	2018
Units at the beginning of the financial year	<b>149,323,945</b>	160,055,369
Units created	<b>42,078,055</b>	53,341,327
Units cancelled	<u><b>(72,622,618)</b></u>	<u>(64,072,751)</u>
Units at the end of the financial year*	<u><b>118,779,382</b></u>	<u>149,323,945</u>
 *Included above are units denominated in USD	 <b>25,609,634</b>	 37,012,620
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders	<b>155,020,689</b>	177,147,181
Net assets value per unit	<b>1.305</b>	1.186

There is no difference between the net assets attributable to unitholders per unit per financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units.

### 8 Financial risk management

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

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



## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

### **8 Financial risk management** (continued)

#### **(a) Market risk**

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

##### *(i) Foreign exchange risk*

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

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

**As at 30 June 2019**

	<b>AUD</b>	<b>CAD</b>	<b>GBP</b>	<b>SGD</b>	<b>USD</b>	<b>Others</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>							
Portfolio of investments	33,600,575	47,703,070	32,828,894	-	37,005,787	7,051,239	158,189,565
Sales awaiting settlement	1,761,842	623,648	668,020	-	485,804	502,568	4,041,882
Receivables	-	-	-	739,711	244,483	-	984,194
Cash and bank balances	322,681	644,930	92,745	1,037,026	1,477,698	389	3,575,469
<b>Total Assets</b>	<b>35,685,098</b>	<b>48,971,648</b>	<b>33,589,659</b>	<b>1,776,737</b>	<b>39,213,772</b>	<b>7,554,196</b>	<b>166,791,110</b>
<b>Liabilities</b>							
Purchases awaiting settlement	1,769,799	-	226,675	-	-	-	1,996,474
Payables	-	-	-	6,130,920	3,635,538	-	9,766,458
<b>Total Liabilities</b>	<b>1,769,799</b>	<b>-</b>	<b>226,675</b>	<b>6,130,920</b>	<b>3,635,538</b>	<b>-</b>	<b>11,762,932</b>
<b>Net Assets</b>	<b>33,915,299</b>	<b>48,971,648</b>	<b>33,362,984</b>	<b>(4,354,183)</b>	<b>35,578,234</b>	<b>7,554,196</b>	
Foreign currency contracts (notional value)	(312,210)	(1,258,996)	(515,001)	3,382,812	(888,148)	(408,457)	
<b>Net currency exposure</b>	<b>33,603,089</b>	<b>47,712,652</b>	<b>32,847,983</b>	<b>(971,371)</b>	<b>34,690,086</b>	<b>7,145,739</b>	

**United Gold & General Fund**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

As at 30 June 2018

	AUD \$	CAD \$	GBP \$	SGD \$	USD \$	Others \$	Total \$
<b>Assets</b>							
Portfolio of investments	40,052,342	75,156,220	24,065,775	-	33,167,478	2,447,212	174,889,027
Receivables	-	-	-	276,478	277,830	-	554,308
Cash and bank balances	-	9,717	125	2,112,353	807,842	-	2,930,037
<b>Total Assets</b>	<u>40,052,342</u>	<u>75,165,937</u>	<u>24,065,900</u>	<u>2,388,831</u>	<u>34,253,150</u>	<u>2,447,212</u>	<u>178,373,372</u>
<b>Liabilities</b>							
Payables	-	-	-	1,063,455	162,678	-	1,226,133
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,063,455</u>	<u>162,678</u>	<u>-</u>	<u>1,226,133</u>
<b>Net Assets</b>	40,052,342	75,165,937	24,065,900	1,325,376	34,090,472	2,447,212	
Foreign currency contracts (notional value)	-	(9,659)	-	9,659	-	-	
<b>Net currency exposure</b>	<u>40,052,342</u>	<u>75,156,278</u>	<u>24,065,900</u>	<u>1,335,035</u>	<u>34,090,472</u>	<u>2,447,212</u>	

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. Other price risk sensitivity analysis includes the impact of foreign exchange risk on non-monetary investments. The Fund's net financial assets comprise significantly non-monetary investments, hence foreign exchange risk sensitivity analysis has not been presented on the remaining financial assets.

*(ii) Price risk*

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 8 Financial risk management (continued)

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

##### (ii) Price risk (continued)

The table below summarises the impact of increases/decreases from the Fund's investments in equities and Investee Funds on the Fund's net assets attributable to unitholders at 30 June 2019 and 2018. The analysis is based on the assumption that the index components within the benchmark and the price of the Investee Funds increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Fund's investments and the Investee Funds moved according to the historical correlation with the index.

Benchmark component	2019		2018	
	Volatility	Net impact to net assets attributable to unitholders	Volatility	Net impact to net assets attributable to unitholders
	%	\$	%	\$
70% FT Gold Mines Index, 30% Euromoney Global Mining Index	25	48,712,453	30	52,399,042

##### (iii) Interest rate risk

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

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly. However, the effects of changes in interest rates in the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect.

Other than cash and bank balances which are at short term market interest rates, and therefore subject to insignificant interest rate risk, the Fund's financial assets and liabilities are largely non-interest bearing.

Hence, no sensitivity analysis has been presented separately.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 8 Financial risk management (continued)

#### (b) Liquidity risk

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

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges. The Fund's investments in Investee Fund are considered to be readily realisable as the net asset value is struck daily, and units are redeemable on demand at the published price.

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

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 30 June 2019</b>			
Purchases awaiting settlement	1,996,474	-	-
Payables	9,766,458	-	-
Financial derivatives at fair value			
- Foreign currency contracts	8,787	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 30 June 2018</b>			
Payables	1,226,133	-	-
Financial derivatives at fair value			
- Foreign currency contracts	58	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 8 Financial risk management (continued)

#### (c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on cash and bank balances, and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that are regularly assessed and updated by the Manager.

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 30 June 2019 and 2018.

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

	<b>Credit rating as at 30 June 2019</b>	<b>Credit rating as at 30 June 2018</b>
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	<b>aa-</b>
<b>Counterparties of foreign currency contracts</b>		
State Street Bank and Trust Company	<b>aa-</b>	<b>aa-</b>
Citibank NA.	<b>a</b>	<b>n/a</b>
Deutsche Bank	<b>bbb</b>	<b>n/a</b>
Goldman Sachs	<b>a</b>	<b>n/a</b>
JP Morgan Chase Bank NA	<b>aa-</b>	<b>n/a</b>
Natwest Markets	<b>Non-rated</b>	<b>n/a</b>
The Hongkong and Shanghai Banking Corporation Limited	<b>aa-</b>	<b>n/a</b>
UBS AG (London)	<b>a+</b>	<b>n/a</b>

The custodian of the Investee Funds is The Hongkong and Shanghai Banking Corporation Limited. As at 30 June 2019, The Hongkong and Shanghai Banking Corporation Limited is rated aa- (30 June 2018: n/a) based on the Viability ratings by Fitch.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

### **8 Financial risk management** (continued)

#### **(d) Capital management**

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

#### **(e) Fair value estimation**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

**8 Financial risk management** (continued)

**(e) Fair value estimation** (continued)

The following tables analyse within the fair value hierarchy, the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2019 and 2018:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 30 June 2019</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	155,305,064	-	-	155,305,064
- Quoted unit trusts	2,884,501	-	-	2,884,501
Financial derivatives at fair value	-	1,298	-	1,298
<b>Total</b>	<b>158,189,565</b>	<b>1,298</b>	-	<b>158,190,863</b>
<b>Liabilities</b>				
Financial derivatives at fair value	-	8,787	-	8,787
<b>Total</b>	-	<b>8,787</b>	-	<b>8,787</b>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 30 June 2018</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	174,889,027	-	-	174,889,027
<b>Total</b>	<b>174,889,027</b>	-	-	<b>174,889,027</b>
<b>Liabilities</b>				
Financial derivatives at fair value	-	58	-	58
<b>Total</b>	-	<b>58</b>	-	<b>58</b>

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

Investment in open-ended investment funds whose net asset value is struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified within Level 1. The quoted price for these financial instruments is not adjusted.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 8 Financial risk management (continued)

#### (e) Fair value estimation (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Except for cash and bank balances which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2019 and 2018 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

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

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

Financial assets	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>30 June 2019</b>						
Derivative financial instruments	1,298	-	1,298	(180)	-	1,118
<b>Total</b>	<b>1,298</b>	<b>-</b>	<b>1,298</b>	<b>(180)</b>	<b>-</b>	<b>1,118</b>
<b>30 June 2018</b>						
Derivative financial instruments	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2019

**8 Financial risk management** (continued)

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

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>30 June 2019</b>						
Derivative financial instruments	8,787	-	8,787	(180)	-	8,607
<b>Total</b>	<b>8,787</b>	<b>-</b>	<b>8,787</b>	<b>(180)</b>	<b>-</b>	<b>8,607</b>
<b>30 June 2018</b>						
Derivative financial instruments	58	-	58	-	-	58
<b>Total</b>	<b>58</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>58</b>

**9 Structured entities**

The Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Manager makes investment decisions after extensive due diligence of the Investee Funds, their strategy and the overall quality of the respective Investee Fund's manager. The Investee Funds in the investment portfolio are managed by portfolio managers who are compensated by the respective Investee Fund for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Fund's investments in each of the Investee Funds.

The Fund has the right to request redemption of its investments in the Investee Funds on a daily basis.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 9 Structured entities (continued)

The exposure to investments in the Investee Funds at fair value is disclosed under the Statement of Portfolio. These investments are included within "Portfolio of Investments" in the Statement of Financial Position.

The Fund's holdings in an Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time, dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Fund's maximum exposure to loss from its interests in the Investee Funds is equal to the total fair value of its investments in Investee Funds.

Once the Fund has disposed of its shares in an Investee Fund, the Fund ceases to be exposed to any risk from it.

### 10 Related party transactions

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

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

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

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

	2019	2018
	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Cash and bank balances	<b>3,575,469</b>	2,930,037

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 10 Related party transactions (continued)

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

	2019 \$	2018 \$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Interest income	8,151	3,636
<b>United Overseas Bank Limited</b>		
Bank charges	32,764	30,410
Interest expense	-	886

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

### 11 Financial ratios

	2019	2018
	\$	\$
Total operating expenses	<b>2,662,395</b>	3,228,312
Average daily net asset value	<b><u>160,099,589</u></b>	<u>175,931,085</u>
Expense ratio <sup>1</sup>	<b><u>1.66%</u></b>	<u>1.83%</u>
Lower of total value of purchases or sales	<b>177,855,698</b>	76,721,598
Average daily net assets value	<b><u>160,099,589</u></b>	<u>175,931,085</u>
Turnover ratio <sup>2</sup>	<b><u>111.09%</u></b>	<u>43.61%</u>

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

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

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