

United Global Portfolios

- **United Singapore
Bond Fund**
- **United Global Dividend
Balanced Fund**

Annual Report

**for the financial year ended
30 June 2020**

United Global Portfolios

(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

East Tower, Level 12

Singapore 018936

United Singapore Bond Fund

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

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 26 November 2004 Ann Comp Ret
United Singapore Bond Fund	2.40	4.53	8.77	4.51	4.51	3.78	3.41
Benchmark	3.09	6.87	10.57	4.74	4.50	3.14	3.31

Source: Morningstar.

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

The benchmark of the Fund: Since Inception - May 17: Singapore Government Bond Index All UOB; Jun 17 - Present: TRI/SGX SFI Government Bond Index.

For the full year ended 30 June 2020, the Fund **gained 8.77%** on a net-asset-value basis, underperforming its benchmark* which returned 10.57%. The underperformance was due to the *underweight* in Singapore Government Securities (SGS) that had rallied strongly in reaction to the global coronavirus (COVID-19) pandemic. Portfolio duration was kept neutral to benchmark.

As at 30 June 2020, 54.67% of the Fund was invested in corporate bonds, 43.98% invested in SGS with the balance in cash and cash equivalents. The Fund had a yield-to-maturity (YTM) of 2.53% and effective duration of 7.22 years.

* The UOB Singapore Government Bond Index (SGBIALL Index) was terminated and replaced by the Thomson Reuters/SGX Singapore Fixed Income Index (SFI) effective from 1st June 2017.

Economic and Market Review

The focus for 2H19 was mainly on US-China trade tensions amid the backdrop of slowing global growth which led to the first rate cut in a decade and the inversion of the 2-10 year US Treasury (UST) yield curve. By 1H20, that was quickly overtaken by the emergence of the coronavirus (COVID-19) which started in Wuhan in **China** but was soon declared a global pandemic in March by the World Health Organisation (WHO).

That triggered convulsions across financial markets affecting virtually all asset classes before some calm was restored by the backstops of unprecedented fiscal and monetary policy support from the states and central banks. Significant downside risks however remain loom in the months ahead with bouts of markets volatility likely to persist due to the uncertainties in timeline to normalisation and path to global economic recovery.

The 10-year US Treasury (UST) yield which hovered around 2.00% levels in July 2019 had fallen towards 1.45% in August when the US-China trade tensions escalated. It slowly grinded back towards the 2.00% level once the Phase One deal was signed on 13 December 2019. By early March, the 10-yr UST yield had collapsed to an all-time low of 0.31% in the wake of the COVID-19 fallout across the globe. After rebounding strongly to 1.27% two weeks later, the yields have been largely range bound between 0.55% and 0.70% following the massive injection in global liquidity led by the US Federal Reserve (Fed).

United Singapore Bond Fund

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A) Fund Performance (continued)

The **Singapore** economy had slowed to 0.7% for the whole of 2019 (2018: +3.4%) with manufacturing contracting 1.4%, construction expanding 2.8% and services growing by 1.1%. In 1Q20, the economy contracted by 0.7% year-on-year (y/y) before the imposition of the Circuit Breaker in 2Q20 to curb the spread of COVID-19. On the inflation front, the positive inflation seen in the latter half of 2019 has since reversed course in 2020 with May core and headline inflation registering -0.2% y/y and -0.8% y/y respectively.

2019 new issuances in the Singapore Dollar corporate bond market grew by 6.5% due largely to the pause in rate hikes and subsequent rate cuts during the year. As we moved into 2020, risk sentiment started strongly and the market saw an iridescent mix of issuers, tenors, sectors and structures. This was however short-lived and the market became muted with the occasional private placement. While sentiments have since improved, new issuances remain sparse and investors highly selective.

Outlook and Fund Strategy

The Ministry of Trade and Industry (MTI) and the Monetary Authority of Singapore (MAS) have forecast **Singapore's** full-year growth to be in the -7.0% to -4.0% range following the implementation of the Circuit Breaker in response to COVID-19. While a phased reopening of the economy commenced in June, uncertainties abound and the economic outlook remains uncertain as local cases persist and restrictions on international travel remain place in 2Q20. Inflation is forecast to average between -1.0% and 0.0% in 2020.

Despite the significant volatility and risk-off behaviour seen in the middle of 1H20, the later months were marked by optimism as investors pinned their hopes on news of a new vaccine, the reopening of economies and expectations of a V-shaped recovery. It remains to be seen, however, whether these hopes will materialise even as concerns of resurgence remain. Meanwhile, the hunt for yield for SGD investors has intensified as credit selection becomes more stringent amid declining global yields. While new issuances have been few and far in between, familiar names with state ownership have outperformed others. A cautious mood lingers and we expect investors to remain highly selective.

While the US Federal Reserve (Fed) is unlikely to hike rates in the near future, the ongoing bonds purchases and uncertainty of outlook will likely put a ceiling on yields. As such, we remain neutral on duration and we expect the positive correlation between SGS and US Treasuries to persist and for SGS yields to trade in line with their US counterparts.

Disclosures

The foreign currency exposure in the Fund is partially hedged using foreign exchange forward contracts. Commitment Approach with Netting Arrangements is used to calculate the global exposure to financial derivative instruments.

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

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2020 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
China	4,982,461	2.01
Indonesia	2,569,580	1.04
Singapore	233,726,590	94.55
United States	2,597,688	1.05
Accrued interest receivable on quoted bonds	1,971,854	0.80
Portfolio of investments	245,848,173	99.45
Other net assets/(liabilities)	1,349,806	0.55
Total	247,197,979	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Consumer Discretionary	10,705,351	4.33
Financials	23,363,077	9.45
Government	108,720,067	43.98
Health Care	1,449,233	0.59
Industrials	19,160,355	7.75
Real Estate	80,478,236	32.55
Accrued interest receivable on quoted bonds	1,971,854	0.80
Portfolio of investments	245,848,173	99.45
Other net assets/(liabilities)	1,349,806	0.55
Total	247,197,979	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted bonds	243,876,319	98.65
Accrued interest receivable on quoted bonds	1,971,854	0.80
Other net assets/(liabilities)	1,349,806	0.55
Total	247,197,979	100.00

United Singapore Bond Fund

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

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2020 under review classified by (continued)

iv) Credit rating of quoted bonds by Standard & Poor’s

	Fair Value (S\$)	% of NAV
A-	5,121,038	2.07
AA	2,569,580	1.03
AAA	108,720,067	43.98
BB+	2,597,688	1.05
BBB	4,777,727	1.94
Non-rated	120,090,219	48.58
Total	243,876,319	98.65

v) Credit rating of quoted bonds by Moody’s

	Fair Value (S\$)	% of NAV
Aaa	108,720,067	43.98
Ba2	2,597,688	1.04
Baa1	4,982,461	2.02
Baa2	4,985,537	2.02
Baa3	4,747,284	1.92
Non-rated	117,843,282	47.67
Total	243,876,319	98.65

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

C) Top Ten Holdings

10 largest holdings as at 30 June 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SINGAPORE GOVERNMENT BOND SR UNSECURED 03/46 2.75	17,530,427	7.09
SINGAPORE GOVERNMENT BOND SR UNSECURED 09/33 3.375	16,114,839	6.52
SINGAPORE GOVERNMENT BOND SR UNSECURED 07/29 2.875	16,040,576	6.49
SINGAPORE GOVERNMENT BOND SR UNSECURED 08/36 2.25	14,125,874	5.72
SINGAPORE GOVERNMENT BOND SR UNSECURED 05/28 2.625	12,170,253	4.92
SINGAPORE GOVERNMENT BOND SR UNSECURED 04/42 2.75	12,135,210	4.91
SINGAPORE GOVERNMENT BOND SR UNSECURED 09/30 2.875	9,841,984	3.98
SURBANA JURONG PTE LTD SR UNSECURED REGS 10/25 4.11	7,731,329	3.13
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 02/25 3.355	7,502,891	3.03
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	7,064,211	2.86

United Singapore Bond Fund
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C) Top Ten Holdings (continued)

10 largest holdings as at 30 June 2019

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SINGAPORE GOVERNMENT BOND SR UNSECURED 03/27 3.5	16,695,000	7.28
SINGAPORE GOVERNMENT BOND SR UNSECURED 09/33 3.375	15,302,857	6.68
SINGAPORE GOVERNMENT BOND SR UNSECURED 03/46 2.75	15,215,529	6.64
SINGAPORE GOVERNMENT BOND SR UNSECURED 05/28 2.625	11,241,153	4.90
SINGAPORE GOVERNMENT BOND SR UNSECURED 04/42 2.75	10,544,400	4.60
SINGAPORE GOVERNMENT BOND SR UNSECURED 09/30 2.875	8,905,900	3.89
SURBANA JURONG PTE LTD SR UNSECURED REGS 10/25 4.11	7,638,034	3.33
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 02/25 3.355	7,524,627	3.28
SINGAPORE GOVERNMENT BOND SR UNSECURED 08/36 2.25	7,185,062	3.13
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	6,968,475	3.04

D) Exposure to derivatives

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2020

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Foreign currency contracts	4,422,032	-	-	40,904	0.02

United Singapore Bond Fund
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D) Exposure to derivatives (continued)

- ii) There was a net realised loss of SGD 107,080 on derivative contracts during the financial year ended 30 June 2020.
- iii) There was a net unrealised loss of SGD 40,904 on outstanding derivative contracts marked to market as at 30 June 2020.

E) Amount and percentage of NAV invested in other schemes as at 30 June 2020

N/A

F) Amount and percentage of borrowings to NAV as at 30 June 2020

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2020

Total amount of redemptions	SGD	114,637,525
Total amount of subscriptions	SGD	113,252,817

H) The amount and terms of related-party transactions for the financial year ended 30 June 2020

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

I) Expense ratios

Please refer to Note 12 of the Notes to the Financial Statements.

J) Turnover ratios

Please refer to Note 12 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

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

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 30 June 2020 and 30 June 2019

N/A

- ii) Expense ratios for the financial year ended 30 June 2020 and 30 June 2019

N/A

- iii) Turnover ratios for the financial year ended 30 June 2020 and 30 June 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.

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

United Global Dividend Balanced Fund

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

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 November 2005 Ann Comp Ret
United Global Dividend Balanced Fund	6.35	-9.72	-7.76	-0.99	1.01	3.01	1.43
Benchmark	8.31	-0.42	4.12	4.31	4.39	5.00	2.97

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: 50% MSCI AC World Index & 50% 1 month SIBID.

For the twelve months ended 30 June 2020, the net asset value of the Fund **declined 7.76%**, compared to a decrease in the composite benchmark of 50% MSCI AC World Index which increased 5.7% and 50% 1-month Singapore Interbank Bid Rate (SIBID) which averaged 0.6% during the period in Singapore Dollar terms. The Fund underperformed due to the poor relative performance of its dividend equity profile verses the global indices. Global equities in the past several months have been primarily driven by large cap growth tech stocks. The Fund's equity focus has been in stable dividend payers which has lagged the broad market.

As at 30 June 2020, the exposure to equities was 59.08% and the exposure to Fixed Income was 41.67% with -0.75% in cash. The equity exposure was represented by **United Global Dividend Equity Fund** and the fixed income was comprised of an 8.55% exposure to the **United SGD Plus Fund** and a 33.12% exposure to the **United Asian Bond Fund**.

The equity and fixed income exposures for the Fund are heavily income focused and the Fund aims to achieve a balance between safe lower duration income returns and equity income that provides a balance of stable dividends and some exposure to growing dividends.

Economic and Market Review

The one-year period ending 30 June 2020, has been one of the most volatile periods in history. While the second of 2019 was relatively stable, the first quarter of 2020 witnessed the fastest bear market in history as the decline from the market peak in February to a 20% drawdown took less than a month. The second quarter of 2020 witnessed the best quarterly performance since the 1960's. The one-year period might have started well enough, but ended with back to back quarters in which markets followed up a bear market with a bull market.

A) Fund Performance (continued)

In the first half of 2020, economic activity fell by unprecedented levels in the wake of the dislocations brought about by the coronavirus (COVID-19) pandemic. In the **US**, unemployment soared to 14.7%, retail sales fell by 19.9%, and industrial production fell by 16.3%. The consensus expectation for **US** GDP in 2Q20 is for a decline of 33%. Eurozone industrial production fell by 18.2% and retail sales fell by 20.5%. **Japan's** industrial production fell 26.3%, and retail sales fell 26.3%. **China** suffered first but had generally recovered by the end of June with its industrial production up 4.8% on a year on year basis. Throughout the first half, the economic trends were as sharp as any recession recorded in history.

In response to the sharp economic deterioration, governments around the world launched large fiscal and monetary policy support measures. Through most of the developed markets fiscal support packages designed to protect small businesses and employee income were initiated that added up to 10-20% of GDP of the respective nations. Monetary policy was led by the **US** FED which cut interest rates to 0% and then launched the most aggressive quantitative bond purchasing program the nation has ever seen. Around the world, the fiscal and monetary policy initiatives helped moderate the impact on the global economy and helped stabilize markets.

Despite the weak economic environment, global markets have rallied from the lows at the end of the first quarter and are only down marginally in most markets on a year to date basis as of the end of June. Global markets fell as much as 30% in March but stabilized by the end of June. The MSCI World Index ended the twelve-month period ending 30 June 2020 up 5.7%. The top performing markets were China A-shares up 11.1% and the US S&P500 which was up 10.7%. Japan's TOPIX was up 6.2% and Asia ex Japan equities gained 4.9%. The MSCI Euro Index ended the one-year period down -3.1%.

Fixed income markets were volatile over the one-year period ending 30 June 2020, with government bond yields plunging and credit spreads swinging wildly. The US Treasury 10-year Bond started the period with a yield of 2.02% but ended the period with a yield of 0.65%. The average credit spread of the Barclays Global Agg Investment Grade Credit Index started the period at 1.16%, spiked to 2.66% at the end of March and then ended June at 1.56%. The JPM Asia Credit Investment Grade average credit spread started the year at 1.90%, spiked to 2.99% at the end of March and then ended June at 2.59%. Overall this allowed both government bond and credit fixed income benchmarks to end the period with positive gains.

The period ended with great uncertainty. The pandemic was still raging through large parts of the global population and in particular in the **US, Brazil, Russia** and **India**. Countries in **Europe** and **Asia** appear to have managed the outbreaks but risks remain of resurgence. It remains unclear how long the global economy will continue to remain adversely affected by the response measures. There also remains great uncertainty if global markets will remain resilient or if the divergence between the real economy and markets will lead to further pressure on global equity and credit markets in the second half of the year.

Outlook and Fund Strategy

Over the past six months, global economic activities have plummeted in the wake of the dislocations brought about by the coronavirus (COVID-19) pandemic. Despite this, global markets have rallied from the lows at the end of the first quarter.

A) Fund Performance (continued)

There is now a very large divergence between the global economic and the market trajectories. The comeback rally came just as economic data was plunging with no clarity as to how far economic activities would fall. While we continue to think we should be cautious about our expectations on the global recovery, we think the market recovery is mostly rational despite the divergence with the broad economies of the world.

Our view is that while the economic trajectory may be “U” shaped, the market recovery will likely look more “square root” shaped – one that sees a quick rebound, only to be followed by a drawn out period of subpar growth similar to the flat top of a square root sign. This would be in line with typical futures pricing theory in that if markets believe that there will eventually be a recovery (even if it is “U” shaped), then markets will not wait for that future point to arrive. When markets think there will be a recovery in the future, then it will price it in now. Futures pricing models suggest that the only difference between the future price and the spot price lies in the time value of money. Thus, if the market expects the global economy to recover in 2H21 back to pre-crisis levels (which is the global average consensus forecast), then the only difference between the current price and that future price should be the discounted cost of equity of roughly 7%. That is, even though the **US** economy has fallen by an estimated 30% in 2Q20, the market should only be roughly 7-10% below pre-crisis levels. Thus, as irrational as the markets may seem, the fact is that as long as the markets believe in an eventual recovery, equities will start to climb even before the economic data turn.

We remain *overweight* in investment grade (IG) corporate credits. Global investment grade spreads had widened from 100 basis points (bps) pre-crisis to over 300 bps at the peak of the crisis, and have stayed elevated at close to 200 bps as of end May. We expect credit markets to normalise over the coming year like the equity markets are doing. The contraction in spreads will boost credit returns to the mid-single digits range. We remain confident that investment grade credits will largely avoid defaults in light of the policy support from major central banks around the world. On a risk/reward basis, we find investment grade credits to be one of the most attractive asset classes.

While we think that the fixed income and equity market outlook is fairly constructive, we expect the second half of 2020 to remain volatile. The pace of the pandemic remains uncertain and there continue to be risks in emerging markets as they deal with their outbreaks. Thus we seek to remain invested but remain prepared to de-risk if there are signs that the recovery may be derailed.

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

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2020 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Singapore	9,032,008	100.75
Portfolio of investments	9,032,008	100.75
Other net assets/(liabilities)	(67,055)	(0.75)
Total	8,964,953	100.00

ii) Industry

N/A

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted unit trusts	9,032,008	100.75
Other net assets/(liabilities)	(67,055)	(0.75)
Total	8,964,953	100.00

iv) Credit rating of quoted bonds

N/A

United Global Dividend Balanced Fund
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C) Top Ten Holdings

10 largest holdings as at 30 June 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITED GLOBAL DIVIDEND EQUITY FUND	5,295,930	59.08
UNITED ASIAN BOND FUND - CLASS SGD	2,969,338	33.12
UNITED SGD PLUS FUND - CLASS A SGD DIST	766,740	8.55

There were only 3 holdings as at 30 June 2020.

10 largest holdings as at 30 June 2019

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITED GLOBAL DIVIDEND EQUITY FUND	6,385,945	55.34
UNITED ASIAN BOND FUND - CLASS SGD	3,553,030	30.79
UNITED SGD PLUS FUND - CLASS A SGD DIST	1,098,900	9.52
UNITED SGD FUND - CLASS A (ACC) SGD	426,919	3.70

There were only 4 holdings as at 30 June 2019.

D) Exposure to derivatives

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2020

N/A

ii) Net gains/(losses) on derivative contracts realised during the financial year ended 30 June 2020

N/A

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2020

N/A

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

E) Amount and percentage of NAV invested in other schemes as at 30 June 2020

Please refer to the Statements of Portfolio.

F) Amount and percentage of borrowings to NAV as at 30 June 2020

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2020

Total amount of redemptions	SGD	1,576,470
Total amount of subscriptions	SGD	189,725

H) The amount and terms of related-party transactions for the financial year ended 30 June 2020

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

I) Expense ratios

Please refer to Note 12 of the Notes to the Financial Statements.

J) Turnover ratios

Please refer to Note 12 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

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

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 30 June 2020 and 30 June 2019

10 largest holdings as at 30 June 2020

	United Global Dividend Equity Fund	
	Fair Value	Percentage of total net assets attributable to unitholders
	(S\$)	%
ABBVIE INC	184,082	2.85
ORACLE CORP	179,114	2.77
GILEAD SCIENCES INC	174,312	2.70
INTERNATIONAL BUSINESS MACHINES CORP	171,344	2.65
JOHNSON & JOHNSON	168,131	2.60
AT&T INC	162,574	2.52
SEVEN & I HOLDINGS CO LTD	159,309	2.47
PFIZER INC	158,569	2.45
JAPAN POST HOLDINGS CO LTD	157,228	2.43
PHILIP MORRIS INTERNATIONAL INC	156,184	2.42

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

- i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2020 and 30 June 2019 (continued)

10 largest holdings as at 30 June 2019

	United Global Dividend Equity Fund	
	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
INTERNATIONAL BUSINESS MACHINES CORP	217,543	2.76
THE WESTERN UNION CO	210,303	2.66
JOHNSON & JOHNSON	209,544	2.65
DEUTSCHE TELEKOM AG	192,518	2.44
PFIZER INC	192,299	2.44
KIMCO REALTY CORP	177,218	2.24
ANNALY CAPITAL MANAGEMENT INC	176,973	2.24
VMWARE INC	176,683	2.24
ENDESA SA	175,504	2.22
IMPERIAL BRANDS PLC	159,859	2.02

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

- 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 (continued)**

- i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2020 and 30 June 2019 (continued)

10 largest holdings as at 30 June 2020

	United Asian Bond Fund	
	Fair Value	Percentage of
	(\$)	total net assets
		attributable to
		unitholders
		%
UNITED ASIAN HIGH YIELD BOND FUND - CLASS SGD DIST	10,069,722	8.62
HUARONG FINANCE 2019 COMPANY GUARANT REGS 05/29 4.5	4,492,936	3.85
GUANGXI COMMUNICATIONS INVESTMENT SR UNSECURED REGS 09/22 3.5	4,216,351	3.61
FRANSHION BRILLIANT LTD COMPANY GUARANT REGS 07/29 4.25	3,933,881	3.37
UNITED ASIAN LOCAL CURRENCY BOND FUND - CLASS USD DIST	3,743,716	3.21
CHINA CITIC BANK INTERNATIONAL SUBORDINATED REGS 02/29 VAR	3,309,127	2.83
PERUSAHAAN LISTRIK NEGARA PT SR UNSECURED REGS 10/42 5.25	3,164,795	2.71
XI'AN MUNICIPAL INFRASTRUCTURE INVESTMENT SR UNSECURED REGS 06/22 4	3,099,688	2.65
SHINHAN FINANCIAL GROUP CO LTD JR SUBORDINATED REGS 07/22 VAR	2,960,980	2.53
SCIG INTERNATIONAL FINANCIAL LTD COMPANY GUARANT REGS 09/21 4.625	2,831,911	2.43

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

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 (continued)

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2020 and 30 June 2019 (continued)

10 largest holdings as at 30 June 2019

	United Asian Bond Fund	
	Fair Value	Percentage of total net assets attributable to unitholders
	(\$)	%
UNITED ASIAN HIGH YIELD BOND FUND - CLASS SGD DIST	10,829,142	8.30
HUARONG FINANCE 2019 COMPANY GUARANT REGS 05/29 4.5	4,681,628	3.59
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	4,185,768	3.21
PERUSAHAAN LISTRIK NEGARA PT SR UNSECURED REGS 05/27 4.125	4,151,951	3.18
UNITED ASIAN LOCAL CURRENCY BOND FUND - CLASS USD DIST	3,630,738	2.78
CNAC HK FINBRIDGE CO LTD COMPANY GUARANT REGS 07/27 4.125	3,620,651	2.77
HKT CAPITAL NO 4 LTD COMPANY GUARANT REGS 07/26 3	3,459,543	2.65
DELTA MERLIN DUNIA TEKSTIL SR SECURED REGS 03/24 8.625	3,358,896	2.57
CHINA CITIC BANK INTERNATIONAL SUBORDINATED REGS 02/29 VAR	3,144,430	2.41
SHINHAN FINANCIAL GROUP CO LTD JR SUBORDINATED REGS 07/22 VAR	2,878,326	2.20

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

- 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 (continued)

- ii) Expense ratios for the financial year ended 30 June 2020 and 30 June 2019

United Global Dividend Equity Fund

30 June 2020	2.45%
30 June 2019	2.14%

United Asian Bond Fund - Class SGD

30 June 2020	1.34%
30 June 2019	1.14%

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 underlying scheme's expense ratio at 30 June 2020 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 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 underlying scheme does not pay any performance fee. The average net asset value is based on the daily balances.

- iii) Turnover ratios for the financial year ended 30 June 2020 and 30 June 2019

United Global Dividend Equity Fund

30 June 2020	95.00%
30 June 2019	159.43%

United Asian Bond Fund

30 June 2020	171.07%
30 June 2019	217.76%

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.

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.

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

United Global Portfolios

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

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of the sub-funds of United Global Portfolios, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the "Sub-Funds") 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 Sub-Funds during the financial year covered by these financial statements, set out on pages 27 to 72, 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
23 September 2020

United Global Portfolios

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

STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 27 to 72, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the sub-funds of United Global Portfolios, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the "Sub-Funds") as at 30 June 2020, 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 Sub-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT
Authorised signatory
23 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED GLOBAL PORTFOLIOS

Our Opinion

In our opinion, the accompanying financial statements of the sub-funds of United Global Portfolios, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the "Sub-Funds"), 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 positions and portfolio holdings of the Sub-Funds as at 30 June 2020, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Sub-Funds comprise:

- the Statements of Total Return for the financial year ended 30 June 2020;
- the Statements of Financial Position as at 30 June 2020;
- the Statements of Movements of Unitholders' Funds for the financial year ended 30 June 2020;
- the Statements of Portfolio as at 30 June 2020; 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 Sub-Funds 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 Sub-Funds' 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 THE SUB-FUNDS OF UNITED GLOBAL PORTFOLIOS

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 Sub-Funds' 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 Sub-Funds or to cease the Sub-Funds' operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-Funds' 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 THE SUB-FUNDS OF UNITED GLOBAL PORTFOLIOS

- 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 Sub-Funds' 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 Sub-Funds' 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 Sub-Funds 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, 23 September 2020

United Global Portfolios

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

STATEMENTS OF TOTAL RETURN

For the financial year ended 30 June 2020

	Note	United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2020	2019	2020	2019
		\$	\$	\$	\$
Income					
Dividends		-	-	340,849	343,097
Interest		2,332	1,742	15	8
Other income		15,000	107,729	-	17,462
Total		<u>17,332</u>	<u>109,471</u>	<u>340,864</u>	<u>360,567</u>
Less: Expenses					
Management fee	11	1,275,582	1,157,850	130,480	155,384
Less: Management fee rebate	11	-	-	(135,665)	(163,803)
Trustee fee	11	81,005	73,622	4,976	5,014
Audit fee		16,088	14,510	13,605	13,593
Registrar fee	11	15,000	15,000	15,000	15,000
Valuation fee	11	289,905	263,148	13,048	15,538
Custody fee	11	32,128	41,177	7,374	4,217
Other expenses		50,178	40,822	17,169	13,395
Total		<u>1,759,886</u>	<u>1,606,129</u>	<u>65,987</u>	<u>58,338</u>
Net income/(losses)		<u>(1,742,554)</u>	<u>(1,496,658)</u>	<u>274,877</u>	<u>302,229</u>
Net gains/(losses) on value of investments and financial derivatives					
Net gains/(losses) on investments		21,281,254	12,261,380	(1,023,937)	(210,646)
Net gains/(losses) on financial derivatives		(147,984)	(11,024)	-	-
Net foreign exchange gains/(losses)		(4,755)	8,814	271	(113)
		<u>21,128,515</u>	<u>12,259,170</u>	<u>(1,023,666)</u>	<u>(210,759)</u>
Total return/(deficit) for the financial year before income tax		<u>19,385,961</u>	<u>10,762,512</u>	<u>(748,789)</u>	<u>91,470</u>
Less: Income tax	3	-	-	(26,627)	(48,847)
Total return/(deficit) for the financial year		<u>19,385,961</u>	<u>10,762,512</u>	<u>(775,416)</u>	<u>42,623</u>

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

United Global Portfolios

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Note	United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2020	2019	2020	2019
		\$	\$	\$	\$
Assets					
Portfolio of investments		245,848,173	227,670,466	9,032,008	11,464,794
Sales awaiting settlement		-	1,997,280	-	-
Receivables	5	375,969	448,051	43,750	68,355
Cash and bank balances		9,748,557	4,992,238	59,363	226,694
Financial derivatives at fair value	7	-	500	-	-
Total assets		<u>255,972,699</u>	<u>235,108,535</u>	<u>9,135,121</u>	<u>11,759,843</u>
Liabilities					
Purchases awaiting settlement		7,017,155	3,878,433	-	-
Payables	6	1,716,661	2,025,125	140,222	182,048
Distribution payable	4	-	-	29,946	38,568
Financial derivatives at fair value	7	40,904	8,251	-	-
Total liabilities		<u>8,774,720</u>	<u>5,911,809</u>	<u>170,168</u>	<u>220,616</u>
Equity					
Net assets attributable to unitholders	8	<u>247,197,979</u>	<u>229,196,726</u>	<u>8,964,953</u>	<u>11,539,227</u>

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

United Global Portfolios

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

STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2020

		United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2020	2019	2020	2019
	Note	\$	\$	\$	\$
Net assets attributable to unitholders at the beginning of the financial year		229,196,726	214,246,827	11,539,227	13,219,149
Operations					
Change in net assets attributable to unitholders resulting from operations		19,385,961	10,762,512	(775,416)	42,623
Unitholders' contributions/(withdrawals)					
Creation of units		113,252,817	65,291,994	189,725	279,500
Cancellation of units		(114,637,525)	(61,104,607)	(1,576,470)	(1,510,216)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(1,384,708)	4,187,387	(1,386,745)	(1,230,716)
Distributions	4	-	-	(412,113)	(491,829)
Total increase/(decrease) in net assets attributable to unitholders		18,001,253	14,949,899	(2,574,274)	(1,679,922)
Net assets attributable to unitholders at the end of the financial year	8	247,197,979	229,196,726	8,964,953	11,539,227

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

United Singapore Bond Fund

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry - Primary			
Quoted bonds			
CONSUMER DISCRETIONARY			
CITY DEVELOPMENTS LTD UNSECURED REGS 10/20 3	3,250,000	3,262,062	1.32
FORD MOTOR CREDIT CO LLC SR UNSECURED 06/24 4.125	3,000,000	2,597,688	1.05
METRO HOLDINGS LIMITED SR UNSECURED REGS 04/24 4.3	5,000,000	<u>4,845,601</u>	<u>1.96</u>
TOTAL CONSUMER DISCRETIONARY		<u>10,705,351</u>	<u>4.33</u>
FINANCIALS			
FCT MTN PTE LTD COMPANY GUARANT REGS 05/23 3.2	4,750,000	4,777,727	1.93
HUARONG FINANCE 2017 CO LTD COMPANY GUARANT REGS 04/21 3.2	5,000,000	4,982,461	2.02
QUE TREASURY PTE LTD COMPANY GUARANT REGS 05/23 3.55	5,000,000	4,970,136	2.01
SINGAPORE TECHNOLOGIES TELEMEDIA SUBORDINATED REGS 12/99 VAR	5,000,000	5,092,100	2.06
STARHILL GLOBAL REIT MTN COMPANY GUARANT REGS 06/25 3.15	3,500,000	<u>3,540,653</u>	<u>1.43</u>
TOTAL FINANCIALS		<u>23,363,077</u>	<u>9.45</u>
GOVERNMENT			
SINGAPORE GOVERNMENT BOND 03/50 1.875	5,750,000	6,600,051	2.67
SINGAPORE GOVERNMENT BOND SR UNSECURED 03/46 2.75	13,400,000	17,530,427	7.09

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

United Singapore Bond Fund

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry - Primary (continued)			
Quoted bonds			
GOVERNMENT (continued)			
SINGAPORE GOVERNMENT BOND SR UNSECURED 04/42 2.75	9,500,000	12,135,210	4.91
SINGAPORE GOVERNMENT BOND SR UNSECURED 05/28 2.625	10,700,000	12,170,253	4.92
SINGAPORE GOVERNMENT BOND SR UNSECURED 07/29 2.875	13,700,000	16,040,576	6.49
SINGAPORE GOVERNMENT BOND SR UNSECURED 07/39 2.375	3,500,000	4,160,853	1.68
SINGAPORE GOVERNMENT BOND SR UNSECURED 08/36 2.25	12,300,000	14,125,874	5.72
SINGAPORE GOVERNMENT BOND SR UNSECURED 09/30 2.875	8,300,000	9,841,984	3.98
SINGAPORE GOVERNMENT BOND SR UNSECURED 09/33 3.375	12,600,000	<u>16,114,839</u>	<u>6.52</u>
TOTAL GOVERNMENT		<u>108,720,067</u>	<u>43.98</u>
HEALTH CARE			
THOMSON MEDICAL GROUP LTD SR UNSECURED REGS 01/25 4.05	1,500,000	1,449,233	0.59
INDUSTRIALS			
CITIC ENVIROTECH LTD SR UNSECURED REGS 12/99 VAR	5,000,000	4,941,162	2.00
KEPPEL CORP LTD SR UNSECURED REGS 11/23 3.725	3,750,000	3,918,284	1.58
PROFESIONAL TELEKOMUNIKASI IND BANK GUARANT REGS 11/24 3.25	2,500,000	2,569,580	1.04

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

United Singapore Bond Fund

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry - Primary (continued)			
Quoted bonds			
INDUSTRIALS (continued)			
SURBANA JURONG PTE LTD SR UNSECURED REGS 10/25 4.11	7,250,000	<u>7,731,329</u>	<u>3.13</u>
TOTAL INDUSTRIALS		<u>19,160,355</u>	<u>7.75</u>
REAL ESTATE			
AIMS APAC REIT SR UNSECURED REGS 11/24 3.6	4,750,000	4,668,086	1.89
ARA LOGOS LOGISTICS TRUST SUBORDINATED REGS VAR	3,750,000	3,550,878	1.44
CAPITALAND TREASURY LTD COMPANY GUARANT 08/20 4.3	5,250,000	5,275,779	2.13
CAPITALAND TREASURY LTD COMPANY GUARANT REGS 08/29 3.15	5,500,000	5,661,117	2.29
ESR-REIT JR SUBORDINATED REGS 12/99 VAR	5,000,000	4,549,825	1.84
FCOT TREASURY PTE LTD COMPANY GUARANT REGS 02/23 3.185	5,000,000	4,985,537	2.02
FH-REIT TREASURY PTE LTD COMPANY GUARANT REGS 11/24 3.08	5,000,000	4,747,284	1.92
FRASERS PROPERTY TREASURY COMPANY GUARANT REGS VAR	5,000,000	5,021,004	2.03
FRASERS PROPERTY TREASURY PTE COMPANY GUARANT REGS 07/21 2.5	3,500,000	4,849,582	1.96
GOLD RIDGE PTE LTD SR SECURED REGS 08/23 2.9	5,000,000	5,038,799	2.04
LIPPO MALLS INDONESIA RETAIL T SUBORDINATED REGS 12/99 VAR	3,000,000	2,430,399	0.98

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

United Singapore Bond Fund

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry - Primary (continued)			
Quoted bonds			
REAL ESTATE (continued)			
MERCATUS CO-OPERATIVE LTD SR UNSECURED REGS 07/24 2.8	5,000,000	5,079,550	2.05
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	7,000,000	7,064,211	2.86
RCS TRUST SR UNSECURED REGS 03/25 3.2	5,000,000	5,121,038	2.07
SOILBUILD BUSINESS SPACE REIT SR UNSECURED REGS 04/21 3.6	5,000,000	4,932,256	2.00
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 02/25 3.355	7,500,000	<u>7,502,891</u>	<u>3.03</u>
TOTAL REAL ESTATE		<u>80,478,236</u>	<u>32.55</u>
Accrued interest receivable on quoted bonds		<u>1,971,854</u>	<u>0.80</u>
Total Bonds		<u>245,848,173</u>	<u>99.45</u>
Portfolio of investments		245,848,173	99.45
Other net assets/(liabilities)		<u>1,349,806</u>	<u>0.55</u>
Net assets attributable to unitholders		<u>247,197,979</u>	<u>100.00</u>

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

	United Singapore Bond Fund	
	Percentage of total net assets attributable to unitholders at 30 June 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Industry - Primary (Summary)		
Quoted bonds		
Communication Services	-	1.57
Consumer Discretionary	4.33	5.04
Consumer Staples	-	2.20
Energy	-	2.23
Financials	9.45	4.32
Government	43.98	40.79
Health Care	0.59	-
Industrials	7.75	8.04
Real Estate	32.55	34.28
Accrued interest receivable on quoted bonds	0.80	0.86
Portfolio of investments	99.45	99.33
Other net assets/(liabilities)	0.55	0.67
Net assets attributable to unitholders	100.00	100.00

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

United Singapore Bond Fund

	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography - Secondary			
Quoted bonds			
China	4,982,461	2.01	2.17
Hong Kong	-	-	1.67
India	-	-	2.23
Indonesia	2,569,580	1.04	-
Singapore	233,726,590	94.55	89.56
United States	2,597,688	1.05	2.84
Accrued interest receivable on quoted bonds	1,971,854	0.80	0.86
Portfolio of investments	245,848,173	99.45	99.33
Other net assets/(liabilities)	1,349,806	0.55	0.67
Net assets attributable to unitholders	247,197,979	100.00	100.00

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

	United Global Dividend Balanced Fund		
	Holdings at	Fair value at	Percentage of
	30 June	30 June	total net assets
	2020	2020	attributable to
		\$	unitholders at
			30 June
			2020
			%
By Industry - Primary			
Quoted unit trusts			
UNIT TRUSTS			
UNITED ASIAN BOND FUND - CLASS SGD	1,712,421	2,969,338	33.12
UNITED GLOBAL DIVIDEND EQUITY FUND	4,288,202	5,295,930	59.08
UNITED SGD PLUS FUND - CLASS A SGD DIST	780,000	<u>766,740</u>	<u>8.55</u>
TOTAL UNIT TRUSTS		<u>9,032,008</u>	<u>100.75</u>
Portfolio of investments		9,032,008	100.75
Other net assets/(liabilities)		<u>(67,055)</u>	<u>(0.75)</u>
Net assets attributable to unitholders		<u>8,964,953</u>	<u>100.00</u>

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

United Global Portfolios

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

STATEMENTS OF PORTFOLIO

As at 30 June 2020

	United Global Dividend Balanced Fund	
	Percentage of total net assets attributable to unitholders at 30 June 2020	Percentage of total net assets attributable to unitholders at 30 June 2019
	%	%
By Industry - Primary (Summary)		
Unit Trusts	<u>100.75</u>	<u>99.35</u>
Portfolio of investments	100.75	99.35
Other net assets/(liabilities)	<u>(0.75)</u>	<u>0.65</u>
Net assets attributable to unitholders	<u>100.00</u>	<u>100.00</u>

As the Sub-Fund invests only into the above underlying unit trusts governed by the laws of Republic of Singapore, hence no secondary representation is provided.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

1 General

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

The Fund comprises two sub-funds, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the “Sub-Funds” or individually referred to as the “Sub-Fund”).

United Singapore Bond Fund is included under the Central Provident Fund (“CPF”) Investment Scheme.

The primary activities of the Sub-Funds are that of investment trading. The Sub-Funds’ investment objectives are stated below:

United Singapore Bond Fund

The investment objective of this Sub-Fund is to maximise returns over the longer term by investing mainly in bonds denominated in the Singapore Dollars (issued by entities incorporated or domiciled globally) and bonds denominated in foreign currencies (issued by entities incorporated or domiciled in Singapore). Apart from investments in bonds, the Sub-Fund may also invest in money market instruments (denominated in SGD or foreign currencies), bond funds (including funds managed by the Manager) and time deposits in any currency. Investments shall be made in accordance with the CPF Investment Guidelines. There is no target industry or sector.

Subscriptions and redemptions of the units of the United Singapore Bond Fund are denominated in the Singapore Dollar. Units of the Sub-Fund are currently not offered in different classes.

United Global Dividend Balanced Fund

The investment objective of this Sub-Fund is to provide investors with regular distributions and long-term growth through investments in global equities, global fixed income and money market instruments. The Manager intends to achieve the investment objective of the Sub-Fund primarily by investing all or substantially all of its assets into other collective investment schemes. Currently, the Sub-Fund is invested in other Singapore-authorised open-ended collective investment schemes constituted in Singapore which are managed by the Manager.

Subscriptions and redemptions of the units of the Sub-Fund 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. Units of the Sub-Fund are currently not offered in different classes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as 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 Statements 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 Statements of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on market mid prices for the quoted debt securities on the financial year end date. Accrued interest or discount or premium on debt securities at financial year end date is included in the fair value of debt securities. Interest income on debt securities is presented within "Net gains/losses on investments" on the Statements of Total Return.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2 Significant accounting policies (continued)

(d) Basis of valuation of investments (continued)

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

(e) Foreign currency translation

(i) Functional and presentation currency

The performance of the Sub-Funds 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 Sub-Funds operate. The financial statements are presented in the Singapore Dollar, which is the Sub-Funds' 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 Statements of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statements 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 2020

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 Sub-Funds

All direct expenses relating to the Sub-Funds are charged directly to the Statements of Total Return against the values of the respective Sub-Fund. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to the Sub-Fund based on the Sub-Fund's net asset value.

(k) Management fee rebates

The management fees charged on investments in Investee Funds managed by the Manager are rebated to the Sub-Funds.

(l) 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 Statements of Total Return.

(m) 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 Sub-Funds. 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 2020

2 Significant accounting policies (continued)

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements 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 Sub-Funds or the counterparty.

(o) 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 Sub-Funds consider all of their investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Sub-Funds invest 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 Sub-Funds hold redeemable shares in each of its Investee Funds.

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

3 Income tax

	United Global Dividend Balanced Fund	
	2020	2019
	\$	\$
Singapore income tax	26,627	48,847

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

3 Income tax (continued)

The Sub-Funds were granted the status of Designated Unit Trust ("DUT") in Singapore. The Trustee of the Sub-Funds ensures that the Sub-Funds 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 Singapore income tax represents tax deducted at source for Singapore sourced dividends.

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

4 Distributions

	United Global Dividend Balanced Fund			
	2020		2019	
	Per 100 units \$	Amount \$	Per 100 units \$	Amount \$
July interim distribution on units outstanding as at 1 August 2019 (2019: 1 August 2018)	0.239	37,881	0.250	44,052
August interim distribution on units outstanding as at 2 September 2019 (2019: 3 September 2018)	0.236	36,972	0.248	43,044
September interim distribution on units outstanding as at 1 October 2019 (2019: 1 October 2018)	0.239	37,125	0.248	42,402
October interim distribution on units outstanding as at 1 November 2019 (2019: 1 November 2018)	0.238	36,937	0.240	41,001
November interim distribution on units outstanding as at 2 December 2019 (2019: 3 December 2018)	0.241	36,942	0.239	40,762
December interim distribution on units outstanding as at 2 January 2020 (2019: 2 January 2019)	0.240	36,473	0.228	39,002
January interim distribution on units outstanding as at 3 February 2020 (2019: 1 February 2019)	0.242	36,532	0.241	41,048
February interim distribution on units outstanding as at 2 March 2020 (2019: 1 March 2019)	0.234	33,916	0.243	41,266
March interim distribution on units outstanding as at 1 April 2020 (2019: 1 April 2019)	0.202	29,148	0.244	41,165
April interim distribution on units outstanding as at 4 May 2020 (2019: 2 May 2019)	0.210	30,227	0.245	40,559
May interim distribution on units outstanding as at 1 June 2020 (2019: 3 June 2019)	0.213	30,014	0.237	38,960
June final distribution on units outstanding as at 1 July 2020 (2019: 1 July 2019)	0.213	<u>29,946</u>	0.240	<u>38,568</u>
		<u>412,113</u>		<u>491,829</u>

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

5 Receivables

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
Amounts receivable for creation of units	257,252	274,111	-	-
Management fee rebate receivable	-	-	29,599	39,247
Other receivables	118,717	173,940	14,151	29,108
	<u>375,969</u>	<u>448,051</u>	<u>43,750</u>	<u>68,355</u>

6 Payables

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
Amount payable for cancellation of units	1,231,876	1,606,022	59	30,292
Amount due to the Manager	405,316	372,702	30,678	42,042
Amount due to Trustee	40,489	19,325	2,500	1,274
Tax payables	-	-	82,344	89,837
Other creditors and accrued expenses	38,980	27,076	24,641	18,603
	<u>1,716,661</u>	<u>2,025,125</u>	<u>140,222</u>	<u>182,048</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Fair value of financial derivatives

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

United Singapore Bond Fund			
2020			
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	4,422,032	-	40,904
2019			
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	5,672,799	500	8,251

There are no outstanding financial derivatives as at 30 June 2020 and 2019 for United Global Dividend Balanced Fund.

United Global Portfolios
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

8 Units in issue

During the financial year ended 30 June 2020 and 2019, the numbers of units issued, redeemed and outstanding were as follows:

	United Singapore Bond Fund	
	2020	2019
Units at the beginning of the financial year	149,952,861	147,545,263
Units created	70,272,832	43,653,055
Units cancelled	(71,573,330)	(41,245,457)
Units at the end of the financial year	<u>148,652,363</u>	<u>149,952,861</u>
	\$	\$
Net assets attributable to unitholders	247,197,979	229,196,726
Net assets value per unit	1.662	1.528

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

	United Global Dividend Balanced Fund	
	2020	2019
Units at the beginning of the financial year	16,066,656	17,742,491
Units created	274,036	378,996
Units cancelled	(2,262,238)	(2,054,831)
Units at the end of the financial year*	<u>14,078,454</u>	<u>16,066,656</u>
*Included above are units denominated in USD	154,044	151,594
	\$	\$
Net assets attributable to unitholders	8,964,953	11,539,227
Net assets value per unit	0.636	0.718

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

8 Units in issue (continued)

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

	United Global Dividend Balanced Fund	
	2020	2019
	\$	\$
Net assets attributable to unitholders per financial statements per unit	0.636	0.718
Effect of distribution payable	<u>0.002</u>	<u>0.002</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u>0.638</u>	<u>0.720</u>

9 Financial risk management

The Sub-Funds' activities expose them to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds 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 Sub-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

The Sub-Funds' assets principally consist of financial instruments such as fixed interest investments, investments in open-ended collective investment schemes which are also managed by the Manager and cash. They are held in accordance with the published investment policies of the Sub-Funds. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Sub-Funds' 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 Sub-Funds. Guidelines are set to reduce the Sub-Funds' risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Sub-Funds may be hedged using derivative strategies.

(i) Foreign exchange risk

The Sub-Funds have 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 Sub-Funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The tables below summarise the Sub-Funds' exposures to foreign currencies at the end of the financial year.

United Singapore Bond Fund

As at 30 June 2020

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	4,903,834	240,944,339	245,848,173
Receivables	-	375,969	375,969
Cash and bank balances	14,026	9,734,531	9,748,557
Total Assets	<u>4,917,860</u>	<u>251,054,839</u>	<u>255,972,699</u>
Liabilities			
Purchases awaiting settlement	-	7,017,155	7,017,155
Payables	-	1,716,661	1,716,661
Total Liabilities	<u>-</u>	<u>8,733,816</u>	<u>8,733,816</u>
Net Assets	4,917,860	242,321,023	
Foreign currency contracts (notional value)	<u>(4,422,032)</u>	<u>4,422,032</u>	
Net currency exposure	<u>495,828</u>	<u>246,743,055</u>	

United Global Portfolios
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Singapore Bond Fund
As at 30 June 2019

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	4,576,179	223,094,287	227,670,466
Sales awaiting settlement	-	1,997,280	1,997,280
Receivables	-	448,051	448,051
Cash and bank balances	13,579	4,978,659	4,992,238
Total Assets	<u>4,589,758</u>	<u>230,518,277</u>	<u>235,108,035</u>
Liabilities			
Purchases awaiting settlement	-	3,878,433	3,878,433
Payables	-	2,025,125	2,025,125
Total Liabilities	<u>-</u>	<u>5,903,558</u>	<u>5,903,558</u>
Net Assets	4,589,758	224,614,719	
Foreign currency contracts (notional value)	<u>(4,321,049)</u>	<u>4,321,049</u>	
Net currency exposure	<u>268,709</u>	<u>228,935,768</u>	

United Global Portfolios

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Global Dividend Balanced Fund As at 30 June 2020

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	9,032,008	9,032,008
Receivables	-	43,750	43,750
Cash and bank balances	7,336	52,027	59,363
Total Assets	7,336	9,127,785	9,135,121
Liabilities			
Payables	-	140,222	140,222
Distribution payable	327	29,619	29,946
Total Liabilities	327	169,841	170,168
Net currency exposure	7,009	8,957,944	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Global Dividend Balanced Fund

As at 30 June 2019

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	11,464,794	11,464,794
Receivables	-	68,355	68,355
Cash and bank balances	<u>9,722</u>	<u>216,972</u>	<u>226,694</u>
Total Assets	<u>9,722</u>	<u>11,750,121</u>	<u>11,759,843</u>
Liabilities			
Payables	-	182,048	182,048
Distribution payable	<u>364</u>	<u>38,204</u>	<u>38,568</u>
Total Liabilities	<u>364</u>	<u>220,252</u>	<u>220,616</u>
Net currency exposure	<u>9,358</u>	<u>11,529,869</u>	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Singapore Bond Fund

Investments, which is the significant item in the Statements of Financial Position, is exposed to foreign exchange risk and interest rate risk. Foreign exchange risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Sub-Fund's monetary assets and liabilities to changes in foreign exchange movements at 30 June 2020 and 2019. The analysis is based on the assumptions that the functional currency increased/decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

Currency	Volatility	2020	Volatility	2019
		Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders
	%	\$	%	\$
USD	4	-*	4	10,748

* denotes amount less than 0.1% of NAV

United Global Dividend Balanced Fund

Investments, which is the significant item in the Statements 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 Sub-Fund's net financial assets comprise significantly of non-monetary investments, hence foreign exchange risk sensitivity analysis has not been presented on the remaining financial assets.

(ii) Price risk

During the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. As a result of the COVID-19 outbreak, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Sub-Funds. The Manager is closely monitoring the development of the COVID-19 outbreak and its related impact.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

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.

United Singapore Bond Fund

The market prices of financial assets held by the Sub-Fund are dependent on prevailing market interest rates, as the Sub-Fund invests in bonds issued by government and corporations. No separate price risk sensitivity analysis is prepared as it is covered as part of interest risk sensitivity analysis.

United Global Dividend Balanced Fund

The table below summarises the impact of increases/decreases from the Sub-Fund's investments in Investee Funds on the Sub-Fund's net assets attributable to unitholders at 30 June 2020 and 2019. The analysis is based on the assumption that the index components within the benchmark and the prices of the Investee Funds increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Investee Funds moved according to the historical correlation with the index. For Investee Funds with an absolute return benchmark, the analysis is based on the assumption that the prices of the Investee Funds increased/decreased by a reasonable possible shift.

Benchmark component	Volatility %	2020	Volatility %	2019
		Net impact to net assets attributable to unitholders \$		Net impact to net assets attributable to unitholders \$
MSCI AC World Index (Benchmark of United Global Dividend Equity Fund)	20	1,038,457	20	1,012,023
JP Morgan Asia Credit Index Total Return Composite (Benchmark of United Asian Bond Fund)	20	726,430	20	705,867
United SGD Fund	n/a	n/a	1	5,055
United SGD Plus Fund	7	52,069	3	34,651

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(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.

United Singapore Bond Fund

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

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

	United Singapore Bond Fund			
	Variable rates	Fixed rate	Non-interest bearing	Total
	\$	\$	\$	\$
As at 30 June 2020				
Assets				
Portfolio of investments	25,585,368	218,290,951	1,971,854	245,848,173
Receivables	-	-	375,969	375,969
Cash and bank balances	9,748,557	-	-	9,748,557
Total Assets	35,333,925	218,290,951	2,347,823	255,972,699
Liabilities				
Purchases awaiting settlement	-	-	7,017,155	7,017,155
Payables	-	-	1,716,661	1,716,661
Financial derivatives at fair value	-	-	40,904	40,904
Total Liabilities	-	-	8,774,720	8,774,720

United Global Portfolios
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	Variable rates \$	United Singapore Bond Fund Fixed rate \$	Non-interest bearing \$	Total \$
As at 30 June 2019				
Assets				
Portfolio of investments	26,537,065	199,169,908	1,963,493	227,670,466
Sales awaiting settlement	-	-	1,997,280	1,997,280
Receivables	-	-	448,051	448,051
Cash and bank balances	4,992,238	-	-	4,992,238
Financial derivatives at fair value	-	-	500	500
Total Assets	<u>31,529,303</u>	<u>199,169,908</u>	<u>4,409,324</u>	<u>235,108,535</u>
Liabilities				
Purchases awaiting settlement	-	-	3,878,433	3,878,433
Payables	-	-	2,025,125	2,025,125
Financial derivatives at fair value	-	-	8,251	8,251
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,911,809</u>	<u>5,911,809</u>

As at 30 June 2020 and 2019, should interest rates have lowered or risen by the respective basis points ("bps") as disclosed below with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the year would be as follows:

	2020		2019
	Volatility bps	Net impact to net assets attributable to unitholders \$	Volatility bps
			Net impact to net assets attributable to unitholders \$
United Singapore Bond Fund	50	7,876,549	50
			7,122,565

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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

United Global Dividend Balanced Fund invests into underlying bond and equity funds. The impact of a change in interest rates on the net assets attributable to unitholders is analysed in Note 9(a)(ii), where such a change has an impact on the benchmark index of the Investee Funds used in the price risk sensitivity analysis. Hence, no separate interest rate risk sensitivity analysis is presented.

(b) Liquidity risk

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Funds maintain sufficient cash and cash equivalents and that they are 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.

United Singapore Bond Fund's investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges. United Global Dividend Balanced Fund's Investee Funds are considered to be readily realisable as the net asset values of each Investee Fund are struck daily, and units are redeemable on demand at the published price.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments. No such investments were held at the financial year end date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the Sub-Funds' 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.

	United Singapore Bond Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2020			
Purchases awaiting settlement	7,017,155	-	-
Payables	1,716,661	-	-
Financial derivatives at fair value			
- Foreign currency contracts	-	40,904	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2019			
Purchases awaiting settlement	3,878,433	-	-
Payables	2,025,125	-	-
Financial derivatives at fair value			
- Foreign currency contracts	8,251	-	-

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(b) Liquidity risk (continued)

	United Global Dividend Balanced Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2020			
Payables	140,222	-	-
Distribution payable	29,946	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2019			
Payables	92,211	38,095	51,742
Distribution payable	38,568	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(b) Liquidity risk (continued)

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

	United Singapore Bond Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2020			
Financial derivatives at fair value			
- inflow	-	4,422,032	-
- outflow	-	(4,462,936)	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2019			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	4,996,924	-	-
- outflow	(5,005,175)	-	-

(c) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(c) Credit risk (continued)

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

United Singapore Bond Fund				
Debt securities				
	2020		2019	
	Fixed Rate Securities	Floating Rate securities	Fixed Rate Securities	Floating Rate securities
Aaa	44%	-	41%	-
Ba2	1%	-	-	-
Ba3	-	-	-	1%
Baa1	2%	-	4%	-
Baa2	2%	-	7%	-
Baa3	2%	-	6%	2%
Non-rated	37%	10%	30%	8%

In order to monitor the credit quality of the "Non-rated" underlying debt securities, the Manager, on the basis of internal research, prepares its own shadow ratings for the various instruments for which publicly available credit ratings are not available. The non-rated securities comprise of debt securities issued mainly by Singapore companies.

United Global Dividend Balanced Fund's investments comprise solely of unit trust funds as at 30 June 2020. As such, credit risk has been represented as the custodian's credit rating on the following page.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(c) Credit risk (continued)

Credit risk also arises from cash and bank balances, fixed deposits and derivative positions held with financial institutions. The tables below summarise the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 30 June 2020 and 30 June 2019.

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

United Singapore Bond Fund

	Credit rating as at 30 June 2020	Credit rating as at 30 June 2019
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Counterparties of foreign currency contracts		
State Street Bank and Trust Company	n/a*	aa-
Australia and New Zealand Banking Group	n/a*	aa-
Westpac Banking Corporation	a+	n/a*

* The Sub-Fund has no exposure to the counterparties as at 30 June 2020 or 2019

United Global Dividend Balanced Fund

	Credit rating as at 30 June 2020	Credit rating as at 30 June 2019
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-

The custodian of the Investee Funds is also State Street Bank and Trust Company, with credit ratings disclosed in the table above.

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 Statements of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(d) Capital management

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

(e) Fair value estimation

The Sub-Funds classify 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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For the financial year ended 30 June 2020

9 Financial risk management (continued)

(e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy, the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 30 June 2020 and 2019:

	United Singapore Bond Fund			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2020				
Assets				
Portfolio of investments				
- Quoted bonds	-	<u>245,848,173</u>	-	<u>245,848,173</u>
Total	-	<u>245,848,173</u>	-	<u>245,848,173</u>
Liabilities				
Financial derivatives at fair value	-	<u>40,904</u>	-	<u>40,904</u>
Total	-	<u>40,904</u>	-	<u>40,904</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2019				
Assets				
Portfolio of investments				
- Quoted bonds	-	227,670,466	-	227,670,466
Financial derivatives at fair value	-	<u>500</u>	-	<u>500</u>
Total	-	<u>227,670,966</u>	-	<u>227,670,966</u>
Liabilities				
Financial derivatives at fair value	-	<u>8,251</u>	-	<u>8,251</u>
Total	-	<u>8,251</u>	-	<u>8,251</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(e) Fair value estimation (continued)

United Global Dividend Balanced Fund				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2020				
Assets				
Portfolio of investments				
- Quoted unit trusts	<u>9,032,008</u>	<u>-</u>	<u>-</u>	<u>9,032,008</u>
Total	<u>9,032,008</u>	<u>-</u>	<u>-</u>	<u>9,032,008</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2019				
Assets				
Portfolio of investments				
- Quoted unit trusts	<u>11,464,794</u>	<u>-</u>	<u>-</u>	<u>11,464,794</u>
Total	<u>11,464,794</u>	<u>-</u>	<u>-</u>	<u>11,464,794</u>

Investments in open-ended investment funds whose net asset values are 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.

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

Except for cash and bank balances which are classified as Level 1, the Sub-Funds' assets and liabilities not measured at fair value at 30 June 2020 and 2019 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Financial risk management (continued)

(f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statements 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 Statements of Financial Position are disclosed in the first three columns of the tables below.

United Singapore Bond Fund

Financial assets	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
			Net amount of financial assets presented in the Statements of Financial Position			
	Gross amounts of financial assets	Statements of Financial Position	Gross amounts set off in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
30 June 2020						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2019						
Derivative financial instruments	500	-	500	-	-	500
Total	500	-	500	-	-	500

United Global Portfolios

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For the financial year ended 30 June 2020

9 Financial risk management (continued)

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

United Singapore Bond Fund

Financial liabilities	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statements of Financial Position	Net amount of financial liabilities presented in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
30 June 2020						
Derivative financial instruments	40,904	-	40,904	-	-	40,904
Total	40,904	-	40,904	-	-	40,904
30 June 2019						
Derivative financial instruments	8,251	-	8,251	-	-	8,251
Total	8,251	-	8,251	-	-	8,251

10 Structured entities

United Global Dividend Balanced Fund

The Sub-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 Funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Sub-Fund's investments in each of the Investee Funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

10 Structured entities (continued)

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

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

The Sub-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 Sub-Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

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

11 Related party transactions

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

Management fee and valuation fee are paid to the Manager for the financial year. Management fee rebates are received from the Manager in respect of Investee Funds that are managed by the Manager. 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 Sub-Funds shown in the Statements 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.

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

11 Related party transactions (continued)

(b) As at the end of the financial year, the Sub-Funds maintained the following accounts with their related parties:

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
State Street Bank and Trust Company, Singapore Branch				
Cash and bank balances	9,748,557	4,992,238	59,363	226,694

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

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2020	2019	2020	2019
	\$	\$	\$	\$
State Street Bank and Trust Company, Singapore Branch				
Interest income	2,332	1,742	15	8
United Overseas Bank Limited				
Bank charges	13,200	10,164	1,470	1,374

United Global Portfolios
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

12 Financial ratios

	United Singapore Bond Fund	
	2020	2019
	\$	\$
Total operating expenses	1,759,886	1,498,400
Average daily net asset value	<u>231,944,097</u>	<u>210,517,391</u>
Expense ratio ¹	<u>0.76%</u>	<u>0.71%</u>
Lower of total value of purchases or sales	97,888,561	74,741,406
Average daily net assets value	<u>231,944,097</u>	<u>210,517,391</u>
Turnover ratio ²	<u>42.20%</u>	<u>35.50%</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-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 Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

12 Financial ratios (continued)

	United Global Dividend Balanced Fund	
	2020	2019
	\$	\$
Total operating expenses	65,987	40,876
Average daily net asset value	10,438,967	12,431,237
Weighted average of the Investee Funds' expense ratio	2.00%	1.71%
Expense ratio ¹	2.63%	2.04%
Lower of total value of purchases or sales	298,559	1,185,748
Average daily net assets value	10,438,967	12,431,237
Turnover ratio ²	2.86%	9.54%

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). This is the sum of the Sub-Fund's expense ratio and the weighted average of the Investee Funds' unaudited expense ratios. The unaudited expense ratios of the Investee Funds' are obtained from Investee Funds' manager. The calculation of the Sub-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 Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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

