

# United Choice Portfolios II

➤ United SGD Fund

## Annual Report

for the financial year ended  
31 December 2021



## **United Choice Portfolios II**

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

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### **MANAGER**

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

### **DIRECTORS OF UOB ASSET MANAGEMENT LTD**

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

### **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 SGD Fund

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

### A) Fund Performance

#### Class A (Acc) SGD

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 19 June 1998 Ann Comp Ret
United SGD Fund	-0.35	-0.20	0.15	2.44	1.90	2.99	3.05
Benchmark	0.00	0.00	0.22	1.00	1.17	0.85	1.23

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.  
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

#### Class A (Dist) SGD

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 13 March 2014 Ann Comp Ret
United SGD Fund	-0.43	-0.21	0.19	2.43	1.89	N/A	2.22
Benchmark	0.00	0.00	0.22	1.00	1.17	N/A	1.03

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.  
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

## United SGD Fund

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

### A) Fund Performance (continued)

#### Class A (Acc) USD (Hedged)

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 16 February 2016 Ann Comp Ret
United SGD Fund	-0.43	-0.35	0.00	2.60	2.26	N/A	2.40
Benchmark	0.70	-0.29	-1.75	1.37	2.58	N/A	1.89

Source: Morningstar.

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

The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

#### Class A (Dist) USD (Hedged)

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 16 February 2016 Ann Comp Ret
United SGD Fund	-0.43	-0.30	0.00	2.91	2.39	N/A	2.47
Benchmark	0.70	-0.29	-1.75	1.37	2.58	N/A	1.89

Source: Morningstar.

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

The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

## United SGD Fund

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

### A) Fund Performance (continued)

#### Class B (Acc) SGD

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 March 2013 Ann Comp Ret
United SGD Fund	-0.24	0.00	0.48	2.79	2.21	N/A	2.72
Benchmark	0.00	0.00	0.22	1.00	1.17	N/A	0.94

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.  
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

#### Class S (Dist) SGD

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 11 March 2019 Ann Comp Ret
United SGD Fund	-0.35	-0.16	0.16	N/A	N/A	N/A	1.82
Benchmark	0.00	0.00	0.22	N/A	N/A	N/A	0.94

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.  
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

## United SGD Fund

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

### A) Fund Performance (continued)

#### Class S (Dist) USD (Hedged)

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 10 April 2019 Ann Comp Ret
United SGD Fund	-0.45	-0.25	0.07	N/A	N/A	N/A	1.80
Benchmark	0.70	-0.29	-1.75	N/A	N/A	N/A	1.04

Source: Morningstar.

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

The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to Present: 12M Bank Deposit Rate.

For the 12 months ended 31 December 2021, Class A (Acc) SGD, Class A (Dist) SGD, Class B (Acc) SGD and Class S (Dist) SGD of the Fund **returned 0.15%, 0.19%, 0.48% and 0.16%** respectively on a net-asset-value basis, as compared to its benchmark, the 6-month Singapore Interbank Bid Rate (SIBID) return of 0.22% in Singapore Dollar terms, while Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged) and Class S (Dist) USD (Hedged) of the Fund **returned 0.00%, 0.00% and 0.07%** respectively against its benchmark return of -1.75% in United States Dollar terms.

The Fund adopted the key strategies of: (1) investing in fixed rate bonds of up to three years in maturity profile for portfolio yield enhancement; (2) buying Eurodollar-denominated bonds while hedging foreign currency risk and (3) moving up in quality credits given uncertain economic outlook.

As at 31 December 2021, the Fund was 86.53% and 12.03% invested in corporate bonds and government securities respectively with the balance in cash and others. The Fund had a yield-to-maturity of 1.86% and effective duration of 1.56 years.

### Economic and Market Review

10-year US Treasuries (UST) peaked at 1.74% in 1Q 2021 on reflation trades and speculation about the potential withdrawal of monetary policy accommodation. Interest rate moved lower subsequently to hit 1.22% in July as new COVID-19 variants spread. However, elevated inflationary pressures buoyed by crude oil prices, global demand recovery as well as interrupted supply chains forced the hand of US Fed Chair Powell to announce faster tapering and possible rate hikes in 2022. This contributed to a higher 10-year UST into 4Q21. 2-year and 10-year USTs closed the year at 0.73% (+61 basis points) and 1.51% (+60 bps), respectively.

## United SGD Fund

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### A) Fund Performance (continued)

On the credit front, 2021 will be remembered as ‘annus horribilis’ for the Asian credit asset class as defaults reached all-time highs with non-investment grade Chinese developers taking the lead. Credit markets initially began on a note of optimism led by the accelerated rollout of vaccinations and massive fiscal stimulus. However, volatility soon set in following a series of idiosyncratic events in **China**, such as missteps by **Huarong** and **Evergrande**. **China**’s regulatory pressures on the back of its “Common Prosperity” rhetoric did not help. Investors took flight to investment grade issuers that saw the JP Morgan Asia Investment Grade spread tighten to 175 bps (-41 bps).

Active primary issuance market in 1H21 was deterred in 2H21 by (1) the volatile rates markets and (2) a cautious sentiment in the **China** property sector due to heightened default risks in 2H21. The Asia ex-Japan G3 currency issuers printed US\$ 347 billion in 2021, just marginally higher than US\$ 343 billion in 2020.

### Outlook and Fund Strategy

Some themes remain familiar and are likely to sustain into the new year.

The unwinding of asset purchases by the Fed appears to be well telegraphed. The Fed is likely to start hiking interest rates as early as March 2022 with latest projections point to three hikes in each of 2022 and 2023 and two more in 2024. Market consensus forecast for 10Y UST at end 2022 is at the 2% level as markets await resolution to global supply chain bottlenecks.

We also need to watch **China**’s evolving economic model with the focus on quality of growth. Regulatory reforms, especially to the **Real Estate**, **Information Technology**, and **Gaming** sectors, are likely to continue, although the chances of an abrupt growth slowdown or risks to financial stability appear low given Communist Party National Congress slated in autumn.

On the COVID-19 front, large parts of the world have learnt to live with the virus, although the Omicron variant could pose near-term challenges. Other market risks under the radar include the complex **US-China** bilateral relations as well as **US** mid-term elections.

We will continue to maintain our defensive positioning with a preference for quality credits with leading market shares and of systemic importance, in defensive sectors.

### Disclosures

As the Fund is in SGD and invests in non-SGD denominated securities, the Fund uses financial derivatives such as FX Forward contracts for hedging purposes. The Fund uses Commitment Approach with Netting Arrangements in determining compliance with the CIS (in respect of clause 8.4 of Appendix 1) to calculate global exposure. This is done by adding the exposure of each financial derivative (for those with and without netting arrangement) and cash collateral values in certain cases.



## United SGD 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 31 December 2021 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
Australia	3,555,837	0.13
China	575,239,713	21.02
France	23,919,671	0.87
Hong Kong	264,103,775	9.65
India	105,940,129	3.87
Indonesia	128,929,027	4.71
Japan	145,028,300	5.30
Luxembourg	9,920,186	0.36
Malaysia	47,620,912	1.74
Philippines	15,419,272	0.56
Qatar	64,612,422	2.36
Saudi Arabia	61,000,433	2.23
Singapore	963,812,359	35.22
South Korea	153,932,483	5.62
Thailand	56,725,125	2.07
United Arab Emirates	67,191,791	2.46
United States	10,775,671	0.39
Accrued interest receivable on quoted bonds	<u>18,183,042</u>	<u>0.66</u>
Portfolio of investments	2,715,910,148	99.22
Other net assets/(liabilities)	<u>21,454,531</u>	<u>0.78</u>
<b>Total</b>	<b><u><u>2,737,364,679</u></u></b>	<b><u><u>100.00</u></u></b>

## United SGD 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 31 December 2021 under review classified by** (continued)

**ii) Industry**

	Fair Value (S\$)	% of NAV
Communication Services	47,899,007	1.75
Consumer Discretionary	94,503,056	3.45
Energy	77,837,342	2.84
Financials	731,444,514	26.72
Government	329,174,633	12.03
Industrials	300,887,927	10.99
Materials	219,539,361	8.02
Real Estate	646,442,519	23.62
Unit Trusts	31,344,000	1.15
Utilities	218,654,747	7.99
Accrued interest receivable on quoted bonds	18,183,042	0.66
Portfolio of investments	2,715,910,148	99.22
Other net assets/(liabilities)	21,454,531	0.78
<b>Total</b>	<b><u>2,737,364,679</u></b>	<b><u>100.00</u></b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted bonds	2,666,383,106	97.41
Quoted unit trusts	31,344,000	1.15
Accrued interest receivable on quoted bonds	18,183,042	0.66
Other net assets/(liabilities)	21,454,531	0.78
<b>Total</b>	<b><u>2,737,364,679</u></b>	<b><u>100.00</u></b>

## United SGD 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 31 December 2021 under review classified by** (continued)

**iv) Credit rating of quoted bonds by Moody’s**

	Fair Value (S\$)	% of NAV
A1	121,572,350	4.44
A2	153,566,549	5.61
A3	245,555,099	8.97
Aaa	300,938,533	10.99
Baa1	147,183,005	5.38
Baa2	487,560,311	17.81
Baa3	211,295,041	7.72
Non-rated	998,712,218	36.49
Accrued interest receivable on quoted bonds	<u>18,183,042</u>	<u>0.66</u>
<b>Total</b>	<b><u>2,684,566,148</u></b>	<b><u>98.07</u></b>

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### C) Top Ten Holdings

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
INDONESIA ASAHAN ALUMINIUM SR UNSECURED REGS 11/23 5.71	50,651,950	1.85
SSG RESOURCES LTD SR SECURED REGS 10/22 4.25	47,620,912	1.74
MIZUHO FINANCIAL GROUP CAYMAN 3 COMPANY GUARANT REGS 03/24 4.6	46,356,131	1.69
WOORI BANK SUBORDINATED REGS 04/24 4.75	43,414,075	1.58
HANA BANK SUBORDINATED REGS 10/24 4.25	43,298,375	1.58
SUMITOMO MITSUI FINANCIAL SUBORDINATED REGS 04/24 4.436	42,935,938	1.57
BANK RAKYAT INDONESIA PERSERO SR UNSECURED REGS 07/23 4.625	41,008,960	1.50
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	38,590,504	1.41
CHINA HUADIAN OVERSEAS COMPANY GUARANT REGS VAR	36,935,718	1.35
BANK OF CHINA SUBORDINATED REGS 11/24 5	36,788,450	1.34

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### C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
DIANJIAN HAIYU LTD COMPANY GUARANT REGS 12/99 VAR	39,946,871	1.79
FEDERAL INTERNATIONAL FINANCE SR UNSECURED REGS 05/21 4.125	39,748,624	1.78
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	37,674,671	1.69
SSG RESOURCES LTD SR SECURED REGS 10/22 4.25	37,552,332	1.68
INDONESIA ASAHAN ALUMINIUM SR UNSECURED REGS 11/23 5.71	36,560,143	1.64
QIB SUKUK LTD SR UNSECURED REGS 05/22 3.251	33,953,579	1.52
CHINA MINMETALS CORP SR UNSECURED REGS 12/99 VAR	33,355,142	1.49
MAS BILLS 15/01/21 0.00000 (SERIES 28)	32,795,318	1.47
SINGAPORE TREASURY BILLS 06/21 0.00000	32,730,715	1.46
HUARONG FINANCE 2017 CO COMPANY GUARANT REGS 07/23 VAR	32,493,827	1.45

**D) Exposure to derivatives**

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

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

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2021

	<b>Contract or underlying principal amount</b>	<b>Positive fair value</b>	<b>% of NAV</b>	<b>Negative fair value</b>	<b>% of NAV</b>
	<b>\$</b>	<b>\$</b>		<b>\$</b>	
Foreign currency contracts	2,754,409,877	8,156,996	0.30	8,767,908	0.32

- ii) There was a net realised loss of SGD 22,701,692 on derivative contracts during the financial year ended 31 December 2021.
- iii) There was a net unrealised loss of SGD 610,912 on outstanding derivative contracts marked to market as at 31 December 2021.

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2021**

Please refer to the Statement of Portfolio.

**F) Amount and percentage of borrowings to NAV as at 31 December 2021**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2021**

Total amount of redemptions	SGD 1,386,723,151
Total amount of subscriptions	SGD 1,902,222,064

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2021**

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

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

- i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2021 and 31 December 2020

N/A

- ii) Expense ratios for the financial year ended 31 December 2021 and 31 December 2020

N/A

- iii) Turnover ratios for the financial year ended 31 December 2021 and 31 December 2020

N/A

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

**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.

## **United SGD Fund**

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

N/A



## **REPORT OF THE TRUSTEE**

The Trustee is under a duty to take into custody and hold the assets of the sub-fund of United Choice Portfolios II, namely United SGD Fund (the "Sub-Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, 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-Fund during the financial year covered by these financial statements, set out on pages 21 to 75, 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  
28 March 2022

**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT BY THE MANAGER**

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 21 to 75, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the sub-fund of United Choice Portfolios II, namely United SGD Fund (the "Sub-Fund") as at 31 December 2021, 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 Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT  
Authorised signatory  
28 March 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II**

### ***Our Opinion***

In our opinion, the accompanying financial statements of the sub-fund of United Choice Portfolios II, namely United SGD Fund (the "Sub-Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Sub-Fund as at 31 December 2021, 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-Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2021;
- the Statement of Financial Position as at 31 December 2021;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2021;
- the Statement of Portfolio as at 31 December 2021; 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-Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II**

### ***Other Information***

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

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 Investment Funds" 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-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Sub-Fund or to cease the Sub-Fund's operations, or has no realistic alternative but to do so.

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II**

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.
- 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-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II**

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, 28 March 2022

**United Choice Portfolios II**  
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**STATEMENT OF TOTAL RETURN**

For the financial year ended 31 December 2021

		<b>United SGD Fund</b>	
		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Income</b>			
Interest		-	12,344
Other income		<u>165,071</u>	<u>28,000</u>
<b>Total</b>		<u>165,071</u>	<u>40,344</u>
<b>Less: Expenses</b>			
Management fee	11	16,092,741	9,302,328
Add: Management fee rebate	11	-	78
Audit fee		24,429	24,603
Registrar fee	11	59,999	57,063
Valuation fee	11	11,000	10,998
Custody fee	11	339,835	193,207
Other expenses		<u>528,329</u>	<u>316,307</u>
<b>Total</b>		<u>17,056,333</u>	<u>9,904,584</u>
<b>Net income/(losses)</b>		<u>(16,891,262)</u>	<u>(9,864,240)</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		52,985,964	34,821,184
Net gains/(losses) on financial derivatives		(23,312,604)	5,622,044
Net foreign exchange gains/(losses)		<u>(885,751)</u>	<u>418,639</u>
		<u>28,787,609</u>	<u>40,861,867</u>
<b>Total return/(deficit) for the financial year before income tax</b>		<b>11,896,347</b>	<b>30,997,627</b>
Less: Income tax	3	<u>(1,683)</u>	<u>-</u>
<b>Total return/(deficit) for the financial year</b>		<u>11,894,664</u>	<u>30,997,627</u>

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

**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2021

		United SGD Fund	
		2021	2020
	Note	\$	\$
<b>Assets</b>			
Portfolio of investments		<b>2,715,910,148</b>	2,181,838,397
Receivables	5	<b>4,347,419</b>	49,157,217
Cash and bank balances		<b>27,609,786</b>	16,230,759
Financial derivatives at fair value	7	<b>8,156,996</b>	51,594,046
<b>Total assets</b>		<b><u>2,756,024,349</u></b>	<u>2,298,820,419</u>
<b>Liabilities</b>			
Purchases awaiting settlement		-	45,959,980
Payables	6	<b>6,630,101</b>	9,999,027
Distribution payable	4	<b>3,261,661</b>	4,077,767
Financial derivatives at fair value	7	<b>8,767,908</b>	4,856,239
<b>Total liabilities</b>		<b><u>18,659,670</u></b>	<u>64,893,013</u>
<b>Equity</b>			
<b>Net assets attributable to unitholders</b>	8	<b><u>2,737,364,679</u></b>	<u>2,233,927,406</u>

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**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS**

For the financial year ended 31 December 2021

	Note	United SGD Fund	
		2021	2020
		\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>2,233,927,406</b>	1,192,841,289
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>11,894,664</b>	30,997,627
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>1,902,222,064</b>	1,783,267,972
Cancellation of units		<b>(1,386,723,151)</b>	(758,804,115)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>515,498,913</b>	1,024,463,857
Distributions	4	<b>(23,956,304)</b>	(14,375,367)
Total increase/(decrease) in net assets attributable to unitholders		<b><u>503,437,273</u></b>	<u>1,041,086,117</u>
<b>Net assets attributable to unitholders at the end of the financial year</b>	8	<b><u>2,737,364,679</u></b>	<u>2,233,927,406</u>

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

## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		Percentage of total net assets attributable to unitholders at 31 December 2021 %
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	
<b>By Geography - Primary</b>			
<b>Quoted bonds</b>			
<b>AUSTRALIA</b>			
OPTUS FINANCE PTY LTD COMPANY GUARANT REGS 09/22 3.24	3,500,000	3,555,837	0.13
<b>CHINA</b>			
AZURE ORBIT IV INTERNATIONAL FINANCE COMPANY GUARANT REGS 01/23 3.75	4,000,000	5,513,872	0.20
BAIC FINANCE INVESTMENT CO LTD COMPANY GUARANT REGS 03/24 2	24,900,000	33,516,008	1.22
BANK OF CHINA SUBORDINATED REGS 11/24 5	25,000,000	36,788,450	1.34
CHALCO HK INVESTMENT COMPANY GUARANT REGS 07/24 1.55	18,800,000	25,101,888	0.92
CHINA HUADIAN OVERSEAS COMPANY GUARANT REGS VAR	26,220,000	36,935,718	1.35
CHINA OVERSEAS FINANCE CAYMAN III COMPANY GUARANT REGS 10/23 5.375	9,510,000	13,604,649	0.50
CHINA OVERSEAS FINANCE CAYMAN V COMPANY GUARANT REGS 11/22 3.95	9,815,000	13,479,932	0.49
CHINA STATE CONSTRUCTION FINANCE II COMPANY GUARANT REGS 11/22 3.375	15,000,000	20,503,548	0.75
CHINALCO CAPITAL HOLDING COMPANY GUARANT REGS VAR	9,383,000	13,147,563	0.48
CN HUANENG GP HK TREASURY COMPANY GUARANT REGS 12/99 VAR	23,400,000	31,897,036	1.16
COSCO FINANCE 2011 LTD SR UNSECURED REGS 12/22 4	18,000,000	24,817,441	0.91
DIANJIAN HAIYU LTD COMPANY GUARANT REGS 12/99 VAR	18,000,000	24,511,356	0.90

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## United Choice Portfolios II

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### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>CHINA (continued)</b>			
DIANJIANG INTERNATIONAL FINANCE LTD COMPANY GUARANT REGS 12/99 VAR	7,000,000	9,726,288	0.35
GEELY AUTOMOBILE SR UNSECURED REGS 12/99 VAR	16,102,000	22,396,544	0.82
GUANGXI COMMUNICATIONS INVESTMENT GROUP SR UNSECURED REGS 09/22 3.5	8,000,000	10,884,433	0.40
LEADER GOAL INTERNATIONAL LTD COMPANY GUARANT REGS 12/99 VAR	7,500,000	10,407,471	0.38
LONGFOR HOLDINGS LTD SR UNSECURED REGS 04/23 3.9	15,935,000	21,860,022	0.80
LONGFOR PROPERTIES SR UNSECURED REGS 07/22 3.875	15,000,000	20,397,542	0.74
MINMETALS BOUNTEOUS FINANCE COMPANY GUARANT REGS VAR	18,500,000	25,635,625	0.94
POLY REAL ESTATE FINANCE COMPANY GUARANT REGS 09/23 4.75	20,000,000	27,966,645	1.02
SEPCO VIRGIN LTD COMPANY GUARANT REGS VAR	3,500,000	4,827,736	0.18
SF HOLDING INVESTMENT COMPANY GUARANT REGS 07/23 4.125	9,758,000	13,667,908	0.50
SHOUGANG GROUP CO LTD SR UNSECURED REGS 05/24 4	17,089,000	24,021,279	0.88
SICHUAN RAILWAY INVESTMENT SR UNSECURED REGS 06/22 3.8	21,350,000	29,070,803	1.06
UHI CAPITAL COMPANY GUARANT REGS 06/24 3	15,251,000	21,169,161	0.77
VIGOROUS CHAMPION INTERNATIONAL LTD COMPANY GUARANT REGS 05/24 3.625	7,400,000	10,288,079	0.38

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## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>CHINA (continued)</b>			
VIGOROUS CHAMPION INTERNATIONAL LTD COMPANY GUARANT REGS 09/23 4.375	16,000,000	22,348,151	0.82
VOYAGE BONDS LTD COMPANY GUARANT REGS 09/22 3.375	15,200,000	<u>20,754,565</u>	<u>0.76</u>
<b>TOTAL CHINA</b>		<u><b>575,239,713</b></u>	<u><b>21.02</b></u>
<b>FRANCE</b>			
SOCIETE GENERALE SR UNSECURED REGS 10/24 2.625	17,256,000	23,919,671	0.87
<b>HONG KONG</b>			
CLP POWER HK FINANCING COMPANY GUARANT REGS 04/23 2.875	12,000,000	16,546,735	0.61
CNAC HK FINBRIDGE CO LTD COMPANY GUARANT REGS 03/23 4.625	25,000,000	34,966,116	1.28
GOODMAN HK FINANCE COMPANY GUARANT REGS 06/24 4.375	17,760,000	25,457,668	0.93
HERO ASIA INVESTMENT LTD SR UNSECURED REGS 11/23 1.5	25,000,000	33,513,223	1.22
HPHT FINANCE 19 LTD COMPANY GUARANT REGS 11/24 2.875	19,490,000	27,176,360	0.99
KING POWER CAPITAL LTD COMPANY GUARANT REGS 11/24 5.625	19,047,000	28,379,992	1.04
MAPLETREE NORTH ASIA COMPANY GUARANT REGS 03/22 3.43	9,500,000	9,540,617	0.35
MAPLETREE NORTH ASIA COMPANY GUARANT REGS 11/22 3.96	1,000,000	1,021,161	0.04

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## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>HONG KONG (continued)</b>			
VANKE REAL ESTATE HK SR UNSECURED REGS 05/23 VAR	21,500,000	28,807,509	1.05
VANKE REAL ESTATE HK SR UNSECURED REGS 06/24 4.2	13,600,000	19,195,702	0.70
WEICHAI INTERNATIONAL HK ENERGY COMPANY GUARANT REGS 12/99 VAR	20,000,000	27,385,466	1.00
WHARF REIC FINANCE BVI COMPANY GUARANT REGS 09/24 2.5	8,800,000	<u>12,113,226</u>	<u>0.44</u>
<b>TOTAL HONG KONG</b>		<u><b>264,103,775</b></u>	<u><b>9.65</b></u>
<b>INDIA</b>			
EXPORT IMPORT BANK INDIA SR UNSECURED REGS 03/24 3.875	20,000,000	28,236,100	1.03
INDIAN OIL CORP LTD SR UNSECURED REGS 10/22 4.1	20,000,000	20,373,352	0.74
NTPC LTD SR UNSECURED REGS 11/24 4.375	18,868,000	27,163,678	0.99
REC LIMITED SR UNSECURED REGS 07/24 3.375	11,317,000	15,733,660	0.58
STATE BANK INDIA/LONDON SR UNSECURED REGS 04/24 4.875	10,000,000	<u>14,433,339</u>	<u>0.53</u>
<b>TOTAL INDIA</b>		<u><b>105,940,129</b></u>	<u><b>3.87</b></u>
<b>INDONESIA</b>			
BANK RAKYAT INDONESIA PERSERO SR UNSECURED REGS 07/23 4.625	28,697,000	41,008,960	1.50

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## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>INDONESIA (continued)</b>			
BANK RAKYAT INDONESIA SR UNSECURED REGS 03/24 3.95	9,110,000	12,942,034	0.47
INDONESIA ASAHAN ALUMINIUM SR UNSECURED REGS 11/23 5.71	35,000,000	50,651,950	1.85
PERUSAHAAN GAS NEGARA SR UNSECURED REGS 05/24 5.125	16,668,000	<u>24,326,083</u>	<u>0.89</u>
<b>TOTAL INDONESIA</b>		<u><b>128,929,027</b></u>	<u><b>4.71</b></u>
<b>JAPAN</b>			
MIZUHO FINANCIAL GROUP CAYMAN 3 COMPANY GUARANT REGS 03/24 4.6	32,340,000	46,356,131	1.69
NIPPON LIFE INSURANCE SUBORDINATED REGS 10/42 VAR	20,000,000	27,688,844	1.01
SUMITOMO LIFE INSURANCE SUBORDINATED REGS 09/73 VAR	19,200,000	28,047,387	1.03
SUMITOMO MITSUI FINANCIAL SUBORDINATED REGS 04/24 4.436	30,000,000	<u>42,935,938</u>	<u>1.57</u>
<b>TOTAL JAPAN</b>		<u><b>145,028,300</b></u>	<u><b>5.30</b></u>
<b>LUXEMBOURG</b>			
SPIC LUX LATAM RENEWABLE ENERGY COMPANY GUARANT REGS 10/23 4.65	7,000,000	9,920,186	0.36
<b>MALAYSIA</b>			
SSG RESOURCES LTD SR SECURED REGS 10/22 4.25	34,690,000	47,620,912	1.74

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## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>PHILIPPINES</b>			
RIZAL COMMERCIAL BANKING SR UNSECURED REGS 09/24 3	11,117,000	15,419,272	0.56
<b>QATAR</b>			
MAR SUKUK LTD SR UNSECURED REGS 11/24 3.025	13,739,000	19,207,741	0.70
QIB SUKUK LTD SR UNSECURED REGS 03/24 3.982	8,000,000	11,408,045	0.42
QIB SUKUK LTD SR UNSECURED REGS 05/22 3.251	25,000,000	<u>33,996,636</u>	<u>1.24</u>
<b>TOTAL QATAR</b>		<u><b>64,612,422</b></u>	<u><b>2.36</b></u>
<b>SAUDI ARABIA</b>			
SA GLOBAL SUKUK LTD SR UNSECURED REGS 06/24 0.946	12,000,000	15,951,731	0.58
SAUDI ARABIAN OIL CO SR UNSECURED REGS 04/24 2.875	20,000,000	27,865,775	1.02
SAUDI ELECTRICITY GLOBAL SUKUK SR UNSECURED REGS 04/24 4	12,024,000	<u>17,182,927</u>	<u>0.63</u>
<b>TOTAL SAUDI ARABIA</b>		<u><b>61,000,433</b></u>	<u><b>2.23</b></u>
<b>SINGAPORE</b>			
AACI REIT MTN PTE LTD COMPANY GUARANT REGS 03/22 3.6	5,000,000	5,027,569	0.18
ASCENDAS HOSPITALITY TRUST COMPANY GUARANT REGS 09/22 3.325	7,000,000	7,104,166	0.26

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## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>SINGAPORE (continued)</b>			
ASCENDAS PTE LTD SR UNSECURED REGS 01/23 3.5	20,000,000	20,489,539	0.75
ASCENDAS REAL ESTATE INVESTMENT SR UNSECURED REGS 02/22 4	1,500,000	1,503,429	0.06
ASCENDAS REAL ESTATE INVESTMENT SR UNSECURED REGS 06/22 3.2	7,250,000	7,320,822	0.27
ASCENDAS REIT SR UNSECURED REGS 08/23 2.47	9,750,000	9,976,135	0.37
ASCOTT REIT MTN PTE LTD COMPANY GUARANT REGS 11/22 4.205	11,500,000	11,818,835	0.43
ASCOTT REIT MTN PTE LTD COMPANY GUARANT REGS 12/24 2.75	8,000,000	12,828,132	0.47
BOC AVIATION LTD SR UNSECURED REGS 05/22 3	11,200,000	15,177,138	0.56
CAPITALAND CHINA TRUST SR UNSECURED REGS 07/22 3.25	2,250,000	2,274,082	0.08
CAPITALAND TREASURY LTD COMPANY GUARANT REGS 08/24 3.8	10,500,000	11,042,185	0.40
CAPITALAND TREASURY LTD COMPANY GUARANT REGS 09/22 4.076	25,000,000	34,339,571	1.26
CAPITAMALLS ASIA TREASURY COMPANY GUARANT REGS 08/22 3.7	23,250,000	23,638,451	0.86
CCT MTN PTE LTD COMPANY GUARANT REGS 03/24 3.17	11,500,000	11,954,415	0.44
CCT MTN PTE LTD COMPANY GUARANT REGS 07/22 2.77	7,500,000	7,575,575	0.28
CDL PROPERTIES LTD SR SECURED REGS 05/24 2.958	10,000,000	10,190,331	0.37
CITY DEVELOPMENTS LTD SR UNSECURED 03/24 3.9	10,000,000	10,371,636	0.38

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



## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>SINGAPORE (continued)</b>			
CITY DEVELOPMENTS LTD SR UNSECURED 04/23 3.48	15,000,000	15,440,975	0.56
CITY DEVELOPMENTS LTD SR UNSECURED 07/22 3.75	10,000,000	10,143,828	0.37
CITY DEVELOPMENTS LTD SR UNSECURED REGS 01/24 3	25,000,000	25,424,311	0.93
CITY DEVELOPMENTS LTD SR UNSECURED REGS 06/23 2.8	1,500,000	1,530,185	0.06
CMT MTN PTE LTD COMPANY GUARANT 03/23 2.8	9,500,000	9,693,571	0.36
CMT MTN PTE LTD COMPANY GUARANT 08/24 3.75	3,000,000	3,172,750	0.12
CMT MTN PTE LTD COMPANY GUARANT REGS 08/24 3.48	16,500,000	17,337,723	0.63
CMT MTN PTE LTD COMPANY GUARANT REGS 11/23 3.2115	12,750,000	13,194,352	0.48
ESR REIT SR UNSECURED REGS 05/23 3.95	5,000,000	5,117,649	0.19
FCT MTN PTE LTD COMPANY GUARANT REGS 05/23 3.2	20,000,000	20,505,202	0.75
FRASERS PROPERTY TREASURY COMPANY GUARANT 05/22 3.65	9,560,000	9,642,954	0.35
KEPPEL CORP LTD SR UNSECURED 02/22 3.145	13,000,000	13,036,911	0.48
KEPPEL CORP LTD SR UNSECURED REGS 11/23 3.725	3,750,000	3,893,947	0.14
KEPPEL LAND LTD SR UNSECURED 01/23 2.68	4,000,000	4,058,846	0.15
KEPPEL LAND LTD SR UNSECURED 06/22 3.8	19,250,000	19,474,140	0.71

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## United Choice Portfolios II

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### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		Percentage of total net assets attributable to unitholders at
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>SINGAPORE (continued)</b>			
KEPPEL LAND LTD SR UNSECURED 11/24 3.9	3,000,000	3,162,588	0.12
KEPPEL LAND LTD SR UNSECURED REGS 09/23 2.843	12,250,000	12,548,427	0.46
KEPPEL REIT MTN PTE LTD COMPANY GUARANT REGS 02/22 3.15	5,000,000	5,011,408	0.18
KEPPEL TELECOMMUNICATIONS+TRANSPORTATION SR UNSECURED REGS 09/24 VAR	10,000,000	10,058,291	0.37
MAPLETREE COMMERCIAL TRUST COMPANY GUARANT REGS 09/24 3.28	4,000,000	4,169,693	0.15
MAPLETREE INDUSTRIAL TRUST COMPANY GUARANT REGS 03/24 3.16	3,500,000	3,616,697	0.13
MAPLETREE INDUSTRIAL TRUST COMPANY GUARANT REGS 05/23 3.02	2,500,000	2,556,566	0.09
MAPLETREE TREASURY SERVICES COMPANY GUARANT REGS 12/23 1.2	20,000,000	19,811,405	0.72
MAS BILLS 04/03/22 0.00000	25,000,000	24,978,439	0.91
MAS BILLS 07/01/22 0.00000	25,000,000	24,998,865	0.91
MAS BILLS 18/03/22 0.00000	25,000,000	24,973,561	0.91
MAS BILLS 21/01/22 0.00000	25,000,000	24,993,621	0.91
MAS BILLS 25/03/22 0.00000	25,000,000	24,971,157	0.91
MAS BILLS 28/01/22 0.00000	25,000,000	24,991,033	0.91
MAS FRN NOTES 04/02/22 VAR	31,500,000	31,507,875	1.15
MAS FRN NOTES 08/04/22 VAR	31,500,000	31,501,982	1.15
MAS FRN NOTES 10/06/22 VAR	25,000,000	25,006,250	0.91
MAS FRN NOTES 10/09/22 VAR	31,500,000	31,507,875	1.15
MAS FRN NOTES 11/03/22 VAR	31,500,000	31,507,875	1.15

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## United Choice Portfolios II

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### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>SINGAPORE (continued)</b>			
MERCATUS CO-OPERATIVE SR UNSECURED REGS 07/24 2.8	19,750,000	20,266,584	0.74
OVERSEA CHINESE BANKING SUBORDINATED REGS 06/24 4.25	20,687,000	29,684,631	1.09
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	6,250,000	6,356,151	0.23
RCS TRUST SR UNSECURED REGS 06/23 2.6	29,000,000	29,565,553	1.08
SENBCORP FINANCIAL SERVICES COMPANY GUARANT 05/24 3.64	15,000,000	15,635,294	0.57
SINGAPORE AIRLINES LTD SR UNSECURED REGS 03/24 3.03	5,000,000	5,117,657	0.19
SINGAPORE AIRLINES LTD SR UNSECURED REGS 04/24 3.75	4,500,000	4,681,522	0.17
SINGAPORE AIRLINES LTD SR UNSECURED REGS 10/23 3.16	25,500,000	26,119,052	0.96
STARHILL GLOBAL REIT MTN COMPANY GUARANT REGS 05/23 3.4	4,500,000	4,635,484	0.17
STARHUB LTD SR UNSECURED 09/22 3.08	15,750,000	15,963,178	0.58
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 05/23 3.4	16,250,000	16,587,568	0.61
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 08/23 2.85	10,000,000	10,145,245	0.37
UOL TREASURY SERVICES COMPANY GUARANT REGS 05/24 3	11,250,000	<u>11,537,477</u>	<u>0.42</u>
<b>TOTAL SINGAPORE</b>		<u><b>932,468,359</b></u>	<u><b>34.07</b></u>

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

## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

United SGD Fund			
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>SOUTH KOREA</b>			
HANA BANK SUBORDINATED REGS 10/24 4.25	30,000,000	43,298,375	1.58
KYOBO LIFE INSURANCE CO SUBORDINATED REGS 07/47 VAR	19,429,000	26,459,853	0.97
MIRAE ASSET SECURITIES SR UNSECURED REGS 05/22 3.125	20,000,000	27,116,285	0.99
POSCO SR UNSECURED REGS 11/22 2.375	10,000,000	13,643,895	0.50
WOORI BANK SUBORDINATED REGS 04/24 4.75	30,000,000	<u>43,414,075</u>	<u>1.58</u>
<b>TOTAL SOUTH KOREA</b>		<b><u>153,932,483</u></b>	<b><u>5.62</u></b>
<b>THAILAND</b>			
GC TREASURY CENTRE CO COMPANY GUARANT REGS 09/22 4.25	3,265,000	4,488,137	0.16
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	28,200,000	38,590,504	1.41
THAIOIL TREASURY CENTER COMPANY GUARANT REGS 01/23 3.625	9,943,000	<u>13,646,484</u>	<u>0.50</u>
<b>TOTAL THAILAND</b>		<b><u>56,725,125</u></b>	<b><u>2.07</u></b>
<b>UNITED ARAB EMIRATES</b>			
DP WORLD CRESCENT LTD SR UNSECURED REGS 05/23 3.908	22,000,000	30,709,032	1.12
EMIRATES NBD BANK PJSC SR UNSECURED REGS 03/23 3.05	7,750,000	7,935,584	0.29
EQUATE SUKUK SPC LTD COMPANY GUARANT REGS 02/24 3.944	5,000,000	7,128,343	0.26

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

## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>UNITED ARAB EMIRATES (continued)</b>			
MAF GLOBAL SECURITIES COMPANY GUARANT REGS 05/24 4.75	14,868,000	<u>21,418,832</u>	<u>0.79</u>
<b>TOTAL UNITED ARAB EMIRATES</b>		<u><b>67,191,791</b></u>	<u><b>2.46</b></u>
<b>UNITED STATES</b>			
BOC AVIATION USA CORP COMPANY GUARANT REGS 04/24 1.625	8,000,000	<u>10,775,671</u>	<u>0.39</u>
<b>Accrued interest receivable on quoted bonds</b>		<u><b>18,183,042</b></u>	<u><b>0.66</b></u>
<b>Total Bonds</b>		<u><b>2,684,566,148</b></u>	<u><b>98.07</b></u>
<b>Quoted unit trusts</b>			
<b>SINGAPORE</b>			
UNITED SGD MONEY MARKET FUND - CLASS Z SGD	30,000,000	<u>31,344,000</u>	<u>1.15</u>
<b>Portfolio of investments</b>		<u><b>2,715,910,148</b></u>	<u><b>99.22</b></u>
<b>Other net assets/(liabilities)</b>		<u><b>21,454,531</b></u>	<u><b>0.78</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>2,737,364,679</b></u>	<u><b>100.00</b></u>

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

## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund	
	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 31 December 2020 %
<b>By Geography - Primary (Summary)</b>		
<b>Quoted bonds and unit trusts</b>		
Australia	0.13	-
China	21.02	31.11
France	0.87	-
Hong Kong	9.65	7.46
India	3.87	0.22
Indonesia	4.71	4.43
Japan	5.30	0.62
Luxembourg	0.36	-
Malaysia	1.74	1.68
Philippines	0.56	1.10
Qatar	2.36	1.52
Saudi Arabia	2.23	-
Singapore	35.22	44.61
South Korea	5.62	-
Thailand	2.07	1.69
United Arab Emirates	2.46	2.63
United States	0.39	-
Accrued interest receivable on quoted bonds	0.66	0.60
<b>Portfolio of investments</b>	<b>99.22</b>	<b>97.67</b>
<b>Other net assets/(liabilities)</b>	<b>0.78</b>	<b>2.33</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

## United Choice Portfolios II

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

### STATEMENT OF PORTFOLIO

As at 31 December 2021

	United SGD Fund		
	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 31 December 2020 %
<b>By Industry - Secondary</b>			
<b>Quoted bonds and unit trusts</b>			
Communication Services	47,899,007	1.75	0.23
Consumer Discretionary	94,503,056	3.45	3.48
Energy	77,837,342	2.84	0.22
Financials	731,444,514	26.72	19.01
Government	329,174,633	12.03	21.25
Industrials	300,887,927	10.99	16.50
Materials	219,539,361	8.02	6.16
Real Estate	646,442,519	23.62	26.50
Unit Trusts	31,344,000	1.15	1.40
Utilities	218,654,747	7.99	2.32
Accrued interest receivable on quoted bonds	18,183,042	0.66	0.60
<b>Portfolio of investments</b>	<b>2,715,910,148</b>	<b>99.22</b>	<b>97.67</b>
<b>Other net assets/(liabilities)</b>	<b>21,454,531</b>	<b>0.78</b>	<b>2.33</b>
<b>Net assets attributable to unitholders</b>	<b>2,737,364,679</b>	<b>100.00</b>	<b>100.00</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

### **1 General**

United Choice Portfolios II (the “Fund”) is a Singapore-registered umbrella fund, which offers one sub-fund, namely United SGD Fund (the “Sub-Fund”). The Sub-Fund is constituted under a Trust Deed in Singapore 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 investment objective of the Sub-Fund is to invest substantially all its assets in money market and short term interest bearing debt instruments and bank deposits with the objective of achieving a yield enhancement over Singapore Dollar deposits.

The Sub-Fund offers the following classes of units for subscription:

- Class A (Acc) SGD
- Class A (Dist) SGD
- Class A (Acc) USD (Hedged)
- Class A (Dist) USD (Hedged)
- Class B (Acc) SGD
- Class D SGD Acc
- Class S (Dist) SGD
- Class S (Dist) USD (Hedged)

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

“Dist” refers to Distribution classes which declare and pay distributions in accordance with the applicable distribution policies of the Sub-Fund.

Hedged classes allow the Manager to adopt currency hedging strategies and use currency hedging transactions to reduce the effect of exchange rate fluctuations between the currency in which the relevant Hedged classes is denominated against the currency in which the underlying investments are denominated. The costs and expenses associated with the hedging transactions and any benefits of the hedging transactions will accrue to the hedged classes only.



## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

### **1 General (continued)**

Class B (Acc) SGD units are available for subscription only by institutional clients and such other persons as the Manager may determine in their sole discretion from time to time.

Class A, Class B, Class D and Class S units are subject to management fee of 0.63%, 0.33%, 0.33% and 0.63% per annum respectively.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar and the United States Dollar.

As at 31 December 2021, the Sub-Fund has issued Class A (Acc) SGD, Class A (Dist) SGD, Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class B (Acc) SGD, Class S (Dist) SGD and Class S (Dist) USD (Hedged) units.

### **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 Investment Funds" revised and issued by the Institute of Singapore Chartered Accountants in July 2020 for the financial year beginning on or after 1 July 2020.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Sub-Fund and had no material effect on the amounts reported for the current or prior years.

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

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.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

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

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

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

##### *(iii) Derecognition*

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

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

The fair value of financial assets and liabilities traded in active markets is based on 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 Statement of Total Return.

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

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

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

#### **(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.

#### **(h) Cash and bank balances**

Cash and bank balances comprise cash at banks 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) Management fee rebates**

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

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

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

#### **(m) Offsetting financial instruments**

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

#### **(n) Structured entities**

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

The Sub-Fund considers its investments in another fund ("Investee Fund") to be investments in unconsolidated structured entities. The Sub-Fund invests in an Investee Fund whose objective is to provide a return which is comparable to that of Singapore dollar short-term deposits. The Investee Fund is managed by related asset managers and the Investee Fund applies various investment strategies to accomplish its investment objective. The Investee Fund finances its 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-Fund holds redeemable shares in the Investee Fund.

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

**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**3 Income tax**

	<b>United SGD Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Singapore income tax	<b>1,683</b>	-

The Trustee of the Sub-Fund has assessed and is satisfied that the Sub-Fund has met the requisite conditions under the Designated Unit Trust (“DUT”) Scheme for the current financial year. The Trustee of the Sub-Fund will ensure that the Sub-Fund fulfills its 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 1947. 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 1947);
- (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.

The Sub-Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Sub-Fund’s gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Sub-Fund. Therefore when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 3 Income tax (continued)

As at 31 December 2021 and 2020, the Sub-Fund has uncertain tax exposure with respect to gains on investment of which the tax liability is estimated to be insignificant. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

### 4 Distributions

	Per 100 units Class currency	United SGD Fund				Amount
		2021 Amount Class currency	Amount \$	Per 100 units Class currency	2020 Amount Class currency	
<b>Class A (Dist) SGD</b>						
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	0.635	2,287,101	2,287,101	0.880	1,377,583	1,377,583
June interim distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	0.631	2,379,752	2,379,752	0.764	1,472,601	1,472,601
September interim distribution on units outstanding as at 1 October 2021 (2020: 1 October 2020)	0.565	1,934,755	1,934,755	0.767	1,873,503	1,873,503
December final distribution on units outstanding as at 3 January 2022 (2020: 4 January 2021)	0.560	1,857,859	<u>1,857,859</u>	0.764	2,491,813	<u>2,491,813</u>
			<u>8,459,467</u>			<u>7,215,500</u>

**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**4 Distributions** (continued)

	Per 100 units Class currency	2021		United SGD Fund		2020	
		Amount Class currency	Amount Class currency	Amount Class currency	Amount Class currency	Amount Class currency	Amount Class currency
<b>Class A (Dist) USD (Hedged)</b>							
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	<b>0.639</b>	<b>266,488</b>	<b>358,053</b>	0.883	161,983	230,640	
June interim distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	<b>0.634</b>	<b>212,786</b>	<b>286,027</b>	0.767	179,629	250,592	
September interim distribution on units outstanding as at 1 October 2021 (2020: 1 October 2020)	<b>0.568</b>	<b>211,666</b>	<b>287,357</b>	0.770	209,580	286,097	
December final distribution on units outstanding as at 3 January 2022 (2020: 4 January 2021)	<b>0.562</b>	<b>209,905</b>	<b>282,983</b>	0.769	344,569	455,400	
			<u><b>1,214,420</b></u>			<u>1,222,729</u>	

**United Choice Portfolios II**  
(Constituted under a Trust Deed in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**4 Distributions (continued)**

	United SGD Fund					
	2021			2020		
	Per 100 units	Amount	Amount	Per 100 units	Amount	Amount
	Class	Class	\$	Class	Class	\$
	currency	currency		currency	currency	
<b>Class S (Dist) SGD</b>						
January interim distribution on units outstanding as at 1 February 2021 (2020: 3 February 2020)	0.246	678,341	678,341	0.289	45,367	45,367
February interim distribution on units outstanding as at 1 March 2021 (2020: 2 March 2020)	0.246	715,366	715,366	0.290	41,499	41,499
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	0.245	828,404	828,404	0.284	35,628	35,628
April interim distribution on units outstanding as at 3 May 2021 (2020: 4 May 2020)	0.244	857,475	857,475	0.285	36,581	36,581
May interim distribution on units outstanding as at 1 June 2021 (2020: 1 June 2020)	0.244	926,933	926,933	0.287	158,240	158,240
June interim distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	0.243	927,089	927,089	0.288	312,392	312,392
July interim distribution on units outstanding as at 2 August 2021 (2020: 3 August 2020)	0.223	838,688	838,688	0.288	383,789	383,789
August interim distribution on units outstanding as at 1 September 2021 (2020: 1 September 2020)	0.223	807,899	807,899	0.289	476,413	476,413
September interim distribution on units outstanding as at 1 October 2021 (2020: 1 October 2020)	0.222	767,783	767,783	0.288	567,156	567,156
October interim distribution on units outstanding as at 1 November 2021 (2020: 2 November 2020)	0.221	725,264	725,264	0.288	662,842	662,842
November interim distribution on units outstanding as at 1 December 2021 (2020: 1 December 2020)	0.220	703,932	703,932	0.288	707,589	707,589



## United Choice Portfolios II

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

#### 4 Distributions (continued)

	United SGD Fund					
	2021			2020		
	Per 100 units Class currency	Amount Class currency	Amount \$	Per 100 units Class currency	Amount Class currency	Amount \$
December final distribution on units outstanding as at 3 January 2022 (2020: 4 January 2021)	0.220	688,526	<u>688,526</u>	0.287	757,337	<u>757,337</u>
			<u>9,465,700</u>			<u>4,184,833</u>

**United Choice Portfolios II**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**4 Distributions (continued)**

	United SGD Fund					
	2021			2020		
	Per 100 units	Amount	Amount	Per 100 units	Amount	Amount
	Class	Class	\$	Class	Class	\$
	currency	currency		currency	currency	
<b>Class S (Dist) USD (Hedged)</b>						
January interim distribution on units outstanding as at 1 February 2021 (2020: 3 February 2020)	0.247	262,533	348,408	0.290	776	1,060
February interim distribution on units outstanding as at 1 March 2021 (2020: 2 March 2020)	0.247	253,004	336,420	0.291	778	1,086
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	0.246	258,884	347,836	0.285	764	1,088
April interim distribution on units outstanding as at 3 May 2021 (2020: 4 May 2020)	0.245	262,377	349,067	0.286	766	1,079
May interim distribution on units outstanding as at 1 June 2021 (2020: 1 June 2020)	0.245	264,586	349,505	0.288	962	1,359
June interim distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	0.244	254,954	342,709	0.288	72,177	100,690
July interim distribution on units outstanding as at 2 August 2021 (2020: 3 August 2020)	0.223	344,125	465,979	0.289	116,612	160,528
August interim distribution on units outstanding as at 1 September 2021 (2020: 1 September 2020)	0.223	341,117	458,836	0.289	139,655	189,874
September interim distribution on units outstanding as at 1 October 2021 (2020: 1 October 2020)	0.223	340,495	462,256	0.289	172,282	235,182
October interim distribution on units outstanding as at 1 November 2021 (2020: 2 November 2020)	0.221	340,038	458,542	0.289	244,181	333,429
November interim distribution on units outstanding as at 1 December 2021 (2020: 1 December 2020)	0.221	339,034	464,866	0.288	264,024	353,713

**United Choice Portfolios II**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**4 Distributions** (continued)

	United SGD Fund					
	2021			2020		
	Per 100 units Class currency	Amount Class currency	Amount \$	Per 100 units Class currency	Amount Class currency	Amount \$
December final distribution on units outstanding as at 3 January 2022 (2020: 4 January 2021)	0.220	320,656	<u>432,293</u>	0.288	282,387	<u>373,217</u>
			<u>4,816,717</u>			<u>1,752,305</u>
			<u>23,956,304</u>			<u>14,375,367</u>

**5 Receivables**

	United SGD Fund	
	2021	2020
	\$	\$
Amounts receivable for creation of units	3,547,205	48,776,540
Other receivables	<u>800,214</u>	<u>380,677</u>
	<u>4,347,419</u>	<u>49,157,217</u>

**6 Payables**

	United SGD Fund	
	2021	2020
	\$	\$
Amounts payable for cancellation of units	2,156,226	6,722,245
Amount due to the Manager	4,239,489	3,178,663
Other creditors and accrued expenses	<u>234,386</u>	<u>98,119</u>
	<u>6,630,101</u>	<u>9,999,027</u>

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**7 Financial derivatives at fair value**

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.

<b>United SGD Fund</b>			
<b>2021</b>			
	<b>Contract or underlying principal amount</b>	<b>Positive fair value</b>	<b>Negative fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency contracts	<b>2,754,409,877</b>	<b>8,156,996</b>	<b>8,767,908</b>
 <b>2020</b>			
	<b>Contract or underlying principal amount</b>	<b>Positive fair value</b>	<b>Negative fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency contracts	1,793,701,164	51,594,046	4,856,239

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**8 Units in issue**

During the financial years ended 31 December 2021 and 2020, the numbers of units issued, redeemed and outstanding were as follows:

	United SGD Fund			
	Class A (Acc) SGD		Class A (Dist) SGD	
	2021	2020	2021	2020
Units at the beginning of the financial year	<b>519,395,150</b>	419,647,439	<b>326,046,840</b>	149,900,371
Units created	<b>463,975,715</b>	364,900,734	<b>121,637,698</b>	231,719,418
Units cancelled	<b>(414,085,890)</b>	(265,153,023)	<b>(115,738,434)</b>	(55,572,949)
Units at the end of the financial year	<b><u>569,284,975</u></b>	<u>519,395,150</u>	<b><u>331,946,104</u></b>	<u>326,046,840</u>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>1,134,248,208</b>	1,033,095,288	<b>328,711,056</b>	330,073,552
Net assets value per unit (SGD equivalent)	<b>1.992</b>	1.989	<b>0.990</b>	1.012
Net assets attributable to unitholders (Class Currency)	<b>1,134,248,208</b>	1,033,095,288	<b>328,711,056</b>	330,073,552
Net assets value per unit (Class Currency)	<b>1.992</b>	1.989	<b>0.990</b>	1.012

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 8 Units in issue (continued)

	United SGD Fund			
	Class A (Acc) USD (Hedged)		Class A (Dist) USD (Hedged)	
	2021	2020	2021	2020
Units at the beginning of the financial year	<b>178,339,559</b>	31,216,933	<b>44,822,007</b>	15,706,202
Units created	<b>201,681,408</b>	186,638,687	<b>12,013,744</b>	49,710,017
Units cancelled	<b>(106,735,459)</b>	(39,516,061)	<b>(19,481,947)</b>	(20,594,212)
Units at the end of the financial year	<b><u>273,285,508</u></b>	<u>178,339,559</u>	<b><u>37,353,804</u></b>	<u>44,822,007</u>
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	<b>422,466,553</b>	270,217,809	<b>50,037,745</b>	60,276,387
Net assets value per unit (SGD equivalent)	<b>1.545</b>	1.515	<b>1.339</b>	1.344
Net assets attributable to unitholders (Class Currency)	<b>313,367,617</b>	204,454,893	<b>37,115,859</b>	45,606,921
Net assets value per unit (Class Currency)	<b>1.146</b>	1.146	<b>0.993</b>	1.017

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#### 8 Units in issue (continued)

	United SGD Fund			
	Class B (Acc) SGD		Class S (Dist) SGD	
	2021	2020	2021	2020
Units at the beginning of the financial year	<b>122,065,309</b>	119,902,338	<b>263,582,842</b>	16,495,430
Units created	<b>194,602,071</b>	63,444,862	<b>168,357,044</b>	266,308,011
Units cancelled	<b>(68,553,690)</b>	(61,281,891)	<b>(118,364,949)</b>	(19,220,599)
Units at the end of the financial year	<b><u>248,113,690</u></b>	<u>122,065,309</u>	<b><u>313,574,937</u></b>	<u>263,582,842</u>
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	<b>313,698,555</b>	153,625,603	<b>299,842,845</b>	258,980,472
Net assets value per unit (SGD equivalent)	<b>1.264</b>	1.258	<b>0.956</b>	0.982
Net assets attributable to unitholders (Class Currency)	<b>313,698,555</b>	153,625,603	<b>299,842,845</b>	258,980,472
Net assets value per unit (Class Currency)	<b>1.264</b>	1.258	<b>0.956</b>	0.982

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For the financial year ended 31 December 2021

**8 Units in issue (continued)**

	<b>United SGD Fund</b>	
	<b>Class S (Dist) USD (Hedged)</b>	
	<b>2021</b>	<b>2020</b>
Units at the beginning of the financial year	<b>97,983,430</b>	267,784
Units created	<b>88,295,661</b>	98,227,728
Units cancelled	<b>(40,547,469)</b>	(512,082)
Units at the end of the financial year	<b>145,731,622</b>	97,983,430
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders (SGD equivalent)	<b>188,359,717</b>	127,658,295
Net assets value per unit (SGD equivalent)	<b>1.292</b>	1.302
Net assets attributable to unitholders (Class Currency)	<b>139,717,181</b>	96,590,092
Net assets value per unit (Class Currency)	<b>0.958</b>	0.985

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.

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:

	<b>United SGD Fund</b>			
	<b>Class A (Acc) SGD</b>		<b>Class A (Dist) SGD</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>1.992</b>	1.989	<b>0.990</b>	1.012
Effect of distribution payable	<b>-</b>	-	<b>0.005</b>	0.007
Net assets attributable to unitholders for issuing/redeeming per unit	<b>1.992</b>	1.989	<b>0.995</b>	1.019
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<b>1.992</b>	1.989	<b>0.995</b>	1.019



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#### 8 Units in issue (continued)

	United SGD Fund			
	Class A (Acc) USD (Hedged)		Class A (Dist) USD (Hedged)	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	<b>1.545</b>	1.515	<b>1.339</b>	1.344
Effect of distribution payable	<u>-</u>	<u>-</u>	<u><b>0.008</b></u>	<u>0.010</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>1.545</b></u>	<u>1.515</u>	<u><b>1.347</b></u>	<u>1.354</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>1.146</b></u>	<u>1.146</u>	<u><b>0.999</b></u>	<u>1.025</u>

	United SGD Fund			
	Class B (Acc) SGD		Class S (Dist) SGD	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	<b>1.264</b>	1.258	<b>0.956</b>	0.982
Effect of distribution payable	<u>-</u>	<u>-</u>	<u><b>0.002</b></u>	<u>0.003</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>1.264</b></u>	<u>1.258</u>	<u><b>0.958</b></u>	<u>0.985</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>1.264</b></u>	<u>1.258</u>	<u><b>0.958</b></u>	<u>0.985</u>

	United SGD Fund	
	Class S (Dist) USD (Hedged)	
	2021	2020
	\$	\$
Net assets attributable to unitholders per financial statements per unit	<b>1.292</b>	1.302
Effect of distribution payable	<u><b>0.003</b></u>	<u>0.004</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>1.295</b></u>	<u>1.306</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u><b>0.960</b></u>	<u>0.988</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

### **9 Financial risk management**

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

The Sub-Fund's 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-Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve its investment objectives.

#### **(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-Fund's investments are substantially dependent on changes in market prices and are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Sub-Fund. Guidelines are set to reduce the Sub-Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, alternatively, the Sub-Fund may be hedged using derivative strategies.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**9 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

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

**United SGD Fund**

**As at 31 December 2021**

	SGD \$	USD \$	EUR \$	Total \$
<b>Assets</b>				
Portfolio of investments	919,099,270	1,783,970,733	12,840,145	2,715,910,148
Receivables	4,347,255	164	-	4,347,419
Cash and bank balances	17,263,984	10,345,802	-	27,609,786
<b>Total Assets</b>	<u>940,710,509</u>	<u>1,794,316,699</u>	<u>12,840,145</u>	<u>2,747,867,353</u>
<b>Liabilities</b>				
Payables	6,630,074	27	-	6,630,101
Distribution payable	2,546,385	715,276	-	3,261,661
<b>Total Liabilities</b>	<u>9,176,459</u>	<u>715,303</u>	<u>-</u>	<u>9,891,762</u>
<b>Net Assets</b>	931,534,050	1,793,601,396	12,840,145	
Foreign currency contracts (notional value)	1,137,618,697	(1,124,299,109)	(13,319,588)	
<b>Net currency exposure</b>	<u>2,069,152,747</u>	<u>669,302,287</u>	<u>(479,443)</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**9 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

United SGD Fund

As at 31 December 2020

	SGD \$	USD \$	Total \$
<b>Assets</b>			
Portfolio of investments	1,022,455,861	1,159,382,536	2,181,838,397
Receivables	8,978,878	40,178,339	49,157,217
Cash and bank balances	<u>15,159,846</u>	<u>1,070,913</u>	<u>16,230,759</u>
<b>Total Assets</b>	<u>1,046,594,585</u>	<u>1,200,631,788</u>	<u>2,247,226,373</u>
<b>Liabilities</b>			
Purchases awaiting settlement	45,959,980	-	45,959,980
Payables	9,996,806	2,221	9,999,027
Distribution payable	<u>3,249,150</u>	<u>828,617</u>	<u>4,077,767</u>
<b>Total Liabilities</b>	<u>59,205,936</u>	<u>830,838</u>	<u>60,036,774</u>
<b>Net Assets</b>	987,388,649	1,199,800,950	
Foreign currency contracts (notional value)	<u>780,128,298</u>	<u>(780,128,298)</u>	
<b>Net currency exposure</b>	<u>1,767,516,947</u>	<u>419,672,652</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 9 Financial risk management (continued)

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

##### (i) Foreign exchange risk (continued)

Investments, which is the significant item in the Statement 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 31 December 2021 and 2020. 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.

#### United SGD Fund

Currency	Volatility	2021	Volatility	2020
		Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders
	%	\$	%	\$
USD	4	26,772,091	4	16,786,906

##### (ii) Price risk

The COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, 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-Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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.

The Sub-Fund invests in an Investee Fund which invests in SGD money market securities. Hence price risk sensitivity is not presented as it is not significant.

##### (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.

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**9 Financial risk management** (continued)

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

*(iii) Interest rate risk (continued)*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market 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.

	<b>United SGD Fund</b>			
	<b>Variable rates \$</b>	<b>Fixed rate \$</b>	<b>Non-interest bearing \$</b>	<b>Total \$</b>
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments	517,555,048	2,148,828,058	49,527,042	2,715,910,148
Receivables	-	-	4,347,419	4,347,419
Cash and bank balances	27,609,786	-	-	27,609,786
Financial derivatives at fair value	-	-	8,156,996	8,156,996
<b>Total Assets</b>	<u>545,164,834</u>	<u>2,148,828,058</u>	<u>62,031,457</u>	<u>2,756,024,349</u>
<b>Liabilities</b>				
Payables	-	-	6,630,101	6,630,101
Distribution payable	-	-	3,261,661	3,261,661
Financial derivatives at fair value	-	-	8,767,908	8,767,908
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>18,659,670</u>	<u>18,659,670</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**9 Financial risk management** (continued)

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

*(iii) Interest rate risk (continued)*

	Variable rates \$	Fixed rate \$	United SGD Fund Non-interest bearing \$	Total \$
As at 31 December 2020				
<b>Assets</b>				
Portfolio of investments	384,196,981	1,753,083,877	44,557,539	2,181,838,397
Receivables	-	-	49,157,217	49,157,217
Cash and bank balances	16,230,759	-	-	16,230,759
Financial derivatives at fair value	-	-	51,594,046	51,594,046
<b>Total Assets</b>	<u>400,427,740</u>	<u>1,753,083,877</u>	<u>145,308,802</u>	<u>2,298,820,419</u>
<b>Liabilities</b>				
Purchases awaiting settlement	-	-	45,959,980	45,959,980
Payables	-	-	9,999,027	9,999,027
Distribution payable	-	-	4,077,767	4,077,767
Financial derivatives at fair value	-	-	4,856,239	4,856,239
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>64,893,013</u>	<u>64,893,013</u>

As at 31 December 2021 and 2020, 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:

	2021		2020	
	Volatility bps	Net impact to net assets attributable to unitholders \$	Volatility bps	Net impact to net assets attributable to unitholders \$
<b>United SGD Fund</b>	<b>50</b>	<b>16,582,001</b>	<b>50</b>	<b>10,609,427</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

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

##### *(iii) Interest rate risk (continued)*

The Sub-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.

#### **(b) Liquidity risk**

The Sub-Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Fund maintains sufficient cash and bank balances 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.

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

The 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.



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**9 Financial risk management** (continued)

**(b) Liquidity risk** (continued)

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

	<b>United SGD Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2021</b>			
Payables	<b>6,630,101</b>	-	-
Distribution payable	<b>3,261,661</b>	-	-
Financial derivatives at fair value			
- Foreign currency contracts	<b>8,412,695</b>	<b>355,213</b>	-
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2020</b>			
Purchases awaiting settlement	45,959,980	-	-
Payables	9,999,027	-	-
Distribution payable	4,077,767	-	-
Financial derivatives at fair value			
- Foreign currency contracts	4,533,305	322,934	-

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**NOTES TO THE FINANCIAL STATEMENTS**

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**9 Financial risk management** (continued)

**(b) Liquidity risk** (continued)

The tables below analyse the Sub-Fund's 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.

<b>United SGD Fund</b>			
	<b>Less than 3 months \$</b>	<b>3 months to 1 year \$</b>	<b>Over 1 year \$</b>
<b>As at 31 December 2021</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	<b>1,258,999,289</b>	<b>71,546,073</b>	-
- outflow	<b>(1,267,411,984)</b>	<b>(71,901,286)</b>	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 31 December 2020</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	486,642,768	20,143,665	-
- outflow	(491,176,073)	(20,466,599)	-

**(c) Credit risk**

Credit risk is the risk that a 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**9 Financial risk management** (continued)

**(c) Credit risk** (continued)

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

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.

<b>United SGD Fund</b>				
<b>Debt securities</b>				
	<b>2021</b>		<b>2020</b>	
	<b>Fixed Rate securities</b>	<b>Floating Rate securities</b>	<b>Fixed Rate securities</b>	<b>Floating Rate securities</b>
A1	<b>4%</b>	<b>-</b>	<b>2%</b>	<b>-</b>
A2	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>
A3	<b>6%</b>	<b>3%</b>	<b>4%</b>	<b>1%</b>
Aa3	<b>-</b>	<b>-</b>	<b>-</b>	<b>1%</b>
Aaa	<b>5%</b>	<b>6%</b>	<b>20%</b>	<b>1%</b>
Ba1	<b>-</b>	<b>-</b>	<b>1%</b>	<b>-</b>
Baa1	<b>2%</b>	<b>3%</b>	<b>4%</b>	<b>6%</b>
Baa2	<b>16%</b>	<b>2%</b>	<b>13%</b>	<b>6%</b>
Baa3	<b>7%</b>	<b>1%</b>	<b>7%</b>	<b>1%</b>
Non-rated	<b>34%</b>	<b>2%</b>	<b>26%</b>	<b>-</b>

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.

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.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

#### 9 Financial risk management (continued)

##### (c) Credit risk (continued)

Credit risk also arises from cash and bank balances and derivative positions held with financial institutions. The table below summarises the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 31 December 2021 and 2020.

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

##### United SGD Fund

	Credit rating as at 31 December 2021	Credit rating as at 31 December 2020
<b>Bank and custodian</b>		
State Street Bank and Trust Company	aa-	aa-
<b>Counterparties of foreign currency contracts</b>		
Australia and New Zealand Banking Group	a+	a+
BNP Paribas	a+	a+
Citibank NA.	a	a
State Street Bank and Trust Company	aa-	aa-
United Overseas Bank Limited	aa-	aa-
Westpac Banking Corporation	a+	a+

The custodian of the Investee Fund 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 Statement of Financial Position.

For purposes of impairment assessment, the Sub-Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**9 Financial risk management** (continued)

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

The following tables analyse within the fair value hierarchy, the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2021 and 2020:

	<b>United SGD Fund</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted bonds	-	2,684,566,148	-	2,684,566,148
- Quoted unit trusts	31,344,000	-	-	31,344,000
Financial derivatives at fair value	-	8,156,996	-	8,156,996
<b>Total</b>	<u>31,344,000</u>	<u>2,692,723,144</u>	<u>-</u>	<u>2,724,067,144</u>
<b>Liabilities</b>				
Financial derivatives at fair value	-	8,767,908	-	8,767,908
<b>Total</b>	<u>-</u>	<u>8,767,908</u>	<u>-</u>	<u>8,767,908</u>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2020</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted bonds	-	2,150,602,397	-	2,150,602,397
- Quoted unit trusts	31,236,000	-	-	31,236,000
Financial derivatives at fair value	-	51,594,046	-	51,594,046
<b>Total</b>	<u>31,236,000</u>	<u>2,202,196,443</u>	<u>-</u>	<u>2,233,432,443</u>
<b>Liabilities</b>				
Financial derivatives at fair value	-	4,856,239	-	4,856,239
<b>Total</b>	<u>-</u>	<u>4,856,239</u>	<u>-</u>	<u>4,856,239</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.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

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

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

Except for cash and bank balances which are classified as Level 1, the Sub-Fund's assets and liabilities not measured at fair value at 31 December 2021 and 2020 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

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

**United SGD Fund**

Financial assets	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2021</b>						
Derivative financial instruments	8,156,996	-	8,156,996	(5,272,068)	-	2,884,928
<b>Total</b>	<b>8,156,996</b>	<b>-</b>	<b>8,156,996</b>	<b>(5,272,068)</b>	<b>-</b>	<b>2,884,928</b>
<b>31 December 2020</b>						
Derivative financial instruments	51,594,046	-	51,594,046	(4,856,239)	-	46,737,807
<b>Total</b>	<b>51,594,046</b>	<b>-</b>	<b>51,594,046</b>	<b>(4,856,239)</b>	<b>-</b>	<b>46,737,807</b>



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**9 Financial risk management** (continued)

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

**United SGD Fund**

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2021</b>						
Derivative financial instruments	8,767,908	-	8,767,908	(5,272,068)	-	3,495,840
<b>Total</b>	<b>8,767,908</b>	<b>-</b>	<b>8,767,908</b>	<b>(5,272,068)</b>	<b>-</b>	<b>3,495,840</b>
<b>31 December 2020</b>						
Derivative financial instruments	4,856,239	-	4,856,239	(4,856,239)	-	-
<b>Total</b>	<b>4,856,239</b>	<b>-</b>	<b>4,856,239</b>	<b>(4,856,239)</b>	<b>-</b>	<b>-</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

### **10 Structured entities**

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

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

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

The 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 Fund is equal to the total fair value of its investments in the Investee Fund.

Once the Sub-Fund has disposed of its shares in the 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-Fund are UOB Asset Management Ltd and State Street Trust (SG) Limited respectively. The Manager is a subsidiary of United Overseas Bank Limited while the Trustee is a subsidiary of State Street Bank and Trust Company.

Management fee and valuation fee are paid to the Manager for the financial year. Management fee rebates are received from the Manager in respect of Investee Fund that is managed by the Manager. Registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**11 Related party transactions** (continued)

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

	<b>United SGD Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Cash and bank balances	<b>27,609,786</b>	16,230,759

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

	<b>United SGD Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Interest income	-	12,344
<b>United Overseas Bank Limited</b>		
Bank charges	<b>104,767</b>	89,130

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2021

**12 Financial ratios**

	<b>United SGD Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Class A (Acc) SGD</b>		
Total operating expenses	<b>7,992,212</b>	5,905,905
Average daily net assets value	<b><u>1,194,505,416</u></b>	<u>873,991,452</u>
Expense ratio <sup>1</sup>	<b><u>0.67%</u></b>	<u>0.68%</u>
<b>Class A (Dist) SGD</b>		
Total operating expenses	<b>2,369,753</b>	1,406,994
Average daily net assets value	<b><u>353,405,976</u></b>	<u>211,910,739</u>
Expense ratio <sup>1</sup>	<b><u>0.67%</u></b>	<u>0.66%</u>
<b>Class A (Acc) USD (Hedged)</b>		
Total operating expenses	<b>2,119,182</b>	992,183
Average daily net assets value	<b><u>321,523,578</u></b>	<u>152,158,347</u>
Expense ratio <sup>1</sup>	<b><u>0.66%</u></b>	<u>0.65%</u>
<b>Class A (Dist) USD (Hedged)</b>		
Total operating expenses	<b>356,829</b>	228,452
Average daily net assets value	<b><u>52,979,616</u></b>	<u>34,781,316</u>
Expense ratio <sup>1</sup>	<b><u>0.67%</u></b>	<u>0.66%</u>
<b>Class B (Acc) SGD</b>		
Total operating expenses	<b>946,051</b>	409,161
Average daily net assets value	<b><u>276,067,977</u></b>	<u>114,921,259</u>
Expense ratio <sup>1</sup>	<b><u>0.34%</u></b>	<u>0.36%</u>
<b>Class S (Dist) SGD</b>		
Total operating expenses	<b>2,189,792</b>	680,900
Average daily net assets value	<b><u>327,556,657</u></b>	<u>108,220,034</u>
Expense ratio <sup>1</sup>	<b><u>0.67%</u></b>	<u>0.63%</u>

<sup>1</sup> The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets 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 assets value is based on the daily balances.

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

### 12 Financial ratios (continued)

	United SGD Fund	
	2021	2020
	\$	\$
<b>Class S (Dist) USD (Hedged)</b>		
Total operating expenses	1,082,514	280,989
Average daily net assets value	<u>163,801,183</u>	<u>45,336,318</u>
Expense ratio <sup>1</sup>	<u>0.66%</u>	<u>0.62%</u>
Lower of total value of purchases or sales	3,256,427,735	2,139,431,049
Average daily net assets value	<u>2,689,840,403</u>	<u>1,541,319,465</u>
Turnover ratio <sup>2</sup>	<u>121.06%</u>	<u>138.81%</u>

<sup>1</sup> The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratio at financial year end was based on total operating expenses divided by the average net assets 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 assets value is based on the daily balances.

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

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