

# United Global Portfolios

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

## **Annual Report**

**for the financial year ended  
30 June 2021**



## **United Global Portfolios**

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

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### **MANAGER**

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

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# United Singapore Bond Fund

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

## A) Fund Performance

### Class A SGD Acc

							Since Inception 26 November 2004
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	Ann Comp Ret
United Singapore Bond Fund	2.02	-2.86	0.18	4.67	3.12	3.46	3.21
Benchmark	1.76	-4.02	-3.01	4.05	2.45	2.59	2.91

Source: Morningstar.

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

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

### Class A SGD Dist

							Since Inception 4 January 2021
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	Ann Comp Ret
United Singapore Bond Fund	2.09	N/A	N/A	N/A	N/A	N/A	-2.72
Benchmark	1.76	N/A	N/A	N/A	N/A	N/A	-3.84

Source: Morningstar.

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

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

For the year ended 30 June 2021, Class A SGD Acc of the Fund **returned 0.18%**, outperforming the benchmark\* that returned -3.01%. Class A SGD Dist of the Fund generated a **return of -2.72%** since its inception on 4 January 2021. The Fund outperformed due to its *overweight* in credits and duration was kept neutral relative to the benchmark.

As at 30 June 2021, 56.86% of the Fund was invested in corporate bonds, 41.48% invested in Singapore Government Securities (SGS) and the balance in cash & cash equivalents. The Fund had a yield-to-maturity of 2.23% and an effective duration of 10.39 years.

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

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

### **Economic and Market Review**

The 12-month period under review was a tale of two halves. In the 6 months of 2H2020, markets ebbed and flowed on meandering developments such as the escalating of **US-China** tensions, the race between vaccine progress and COVID-19 spread as well as uncertainties leading to the US elections in November 2020. In the next 6 months of 1H2021, markets gained optimism led by the accelerated vaccination rollouts and massive fiscal stimulus.

The 10-year US treasury (UST) yields had started the period under review at 0.66% in June 2020 before falling to an all-time low of 0.51% in August 2020 as COVID-19 continued to spread unabated globally. With the backing of loose monetary policies and fiscal stimulus lifting global recovery amid vaccination rollouts, the 10-year UST subsequently climbed, hitting a peak of 1.74% by March 2021 on concerns of a drawback in monetary policy accommodation. The rates fell to 1.48% by June 2021 as markets shrugged off a spike in inflation readings accepting the **US** Federal Reserve's (Fed) view that inflation would be "transitory." The 10-year Singapore Government Securities (SGS) yields had mirrored the US counterparts to an intra-period high of 1.75% and intra-period low at 0.78% before ending the period at 1.57%.

The **Singapore** economy expanded by 1.3% on a year-on-year (y/y) basis in 1Q21, a reversal from the 2.4% contraction in 4Q20. Inflation rose to 2.4% y/y in May 2021, the highest in seven years due to the low base in May 2020 when Circuit Breaker lockdown measures were imposed to curb COVID-19 spread.

A total of S\$20.4 billion new SGD bond issuances were printed during the period, up 20.3% from S\$17b year-on-year. Issuances from the financial sector accounted for 52.4%, followed by government sector (19.7%) and communications (7.8%). New issues were mainly high-quality issuers in the 6-15 years maturity range or were structured as perpetuals, reflecting market's continual preference for high-grade papers with relatively higher-yielding structures.

### **Outlook and Fund Strategy**

We entered 2021 with high optimism in risk markets as investors brush aside still escalating virus cases on the prospects of a global albeit uneven economic recovery posing a complex picture for credits in 2021. This is coupled with a challenging technical backdrop characterised by expected low total returns and small upticks in interest rate expectations, possibly leading to capital losses on bonds.

The Ministry of Trade and Industry (MTI) has maintained the growth forecast for the Singapore gross domestic product (GDP) for 2021 at 4-6% in view of the heightened economic uncertainties characterised by both upside and downside risks, especially from resurgent COVID-19 waves including a more infectious Delta variant. Inflation is expected to remain elevated in the near term but easing in the second half of the year as base effects fade. Core inflation is expected to average 0-1% in 2021 while the overall inflation is forecast to come between 0.5% and 1.5%.

How supply evolves in 2021 is a function of the pace of economic recovery and the trajectory of both the pandemic and winding down of government stimulus. That said, issuers will be incentivised by the low rate environment and investors' hunt for yield. Rising credit dispersion from uneven economic recovery will continue to drive demand for higher quality credits.

**United Singapore Bond Fund**  
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**A) Fund Performance** (continued)

We continue to expect SGS yields to correlate positively with those of US Treasuries and will look to maintain neutral duration with a short bias for the Fund. We will maintain an *overweight* in corporate credits on the short-to-belly part of the yield curve to enhance overall return on portfolio.

**Disclosures**

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

## United Singapore Bond Fund

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

**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2021 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
Hong Kong	3,503,780	1.51
Indonesia	2,635,106	1.14
Singapore	221,155,358	95.66
Accrued interest receivable on quoted bonds	1,794,387	0.78
Portfolio of investments	229,088,631	99.09
Other net assets/(liabilities)	2,109,354	0.91
<b>Total</b>	<b>231,197,985</b>	<b>100.00</b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Consumer Discretionary	5,113,078	2.21
Financials	21,610,780	9.35
Government	95,901,040	41.48
Industrials	19,642,186	8.49
Real Estate	85,027,160	36.78
Accrued interest receivable on quoted bonds	1,794,387	0.78
Portfolio of investments	229,088,631	99.09
Other net assets/(liabilities)	2,109,354	0.91
<b>Total</b>	<b>231,197,985</b>	<b>100.00</b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted bonds	227,294,244	98.31
Accrued interest receivable on quoted bonds	1,794,387	0.78
Other net assets/(liabilities)	2,109,354	0.91
<b>Total</b>	<b>231,197,985</b>	<b>100.00</b>

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

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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2021 under review classified by** (continued)

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

	Fair Value (S\$)	% of NAV
A2	3,503,780	1.52
A3	6,288,340	2.72
Aaa	95,901,040	41.48
Baa3	5,139,576	2.22
Non-rated	116,461,508	50.37
<b>Total</b>	<b>227,294,244</b>	<b>98.31</b>

**C) Top Ten Holdings**

10 largest holdings as at 30 June 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SINGAPORE GOVERNMENT BONDS 08/36 2.25	14,624,259	6.33
SINGAPORE GOVERNMENT BONDS 03/46 2.75	14,084,400	6.09
SINGAPORE GOVERNMENT BONDS 09/33 3.375	13,188,000	5.70
SINGAPORE GOVERNMENT BONDS 09/30 2.875	12,803,058	5.54
SINGAPORE GOVERNMENT BONDS 03/50 1.875	12,012,455	5.20
SINGAPORE GOVERNMENT BONDS 04/42 2.75	9,503,500	4.11
SINGAPORE GOVERNMENT BONDS 07/29 2.875	8,357,250	3.61
SURBANA JURONG PTE LTD SR UNSECURED REGS 10/25 4.11	7,915,171	3.42
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 02/25 3.355	7,734,652	3.35
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	7,137,679	3.09



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

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

10 largest holdings as at 30 June 2020

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

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

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**D) Exposure to derivatives**

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

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

- i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 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	4,289,274	-	-	13,184	0.01

- ii) There was a net realised gain of SGD 173,158 on derivative contracts during the financial year ended 30 June 2021.
- iii) There was a net unrealised loss of SGD 13,184 on outstanding derivative contracts marked to market as at 30 June 2021.

**E) Amount and percentage of NAV invested in other schemes as at 30 June 2021**

N/A

**F) Amount and percentage of borrowings to NAV as at 30 June 2021**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 30 June 2021**

Total amount of redemptions	SGD	124,841,118
Total amount of subscriptions	SGD	108,630,833

**H) The amount and terms of related-party transactions for the financial year ended 30 June 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 30 June 2021 and 30 June 2020

N/A

- ii) Expense ratios for the financial year ended 30 June 2021 and 30 June 2020

N/A

- iii) Turnover ratios for the financial year ended 30 June 2021 and 30 June 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 Singapore Bond Fund**

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

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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

## United Global Dividend Balanced Fund

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

### A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 28 November 2005 Ann Comp Ret
United Global Dividend Balanced Fund	5.39	10.07	13.70	1.70	3.35	3.29	2.17
Benchmark	3.70	7.00	16.15	7.76	7.85	5.85	3.77

Source: Morningstar.

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

The benchmark of the Fund: 50% MSCI AC World Index & 50% 1 month SIBID.

For the twelve months ended 30 June 2021, the net asset value (NAV) of the Fund **gained 13.70%**, compared to a gain of 16.15% in the composite benchmark of 50% MSCI AC World Index which increased 34.0% and 50% 1 month Singapore Interbank Bid Rate (SIBID) which averaged 0.4% during the period in Singapore Dollar terms.

The Fund underperformed due to the poor relative performance of its dividend equity profile vs the global indices. The Fund's equity focus has been in stable dividend payers which has lagged the broad market.

During the period, the average exposure to equities was 61.48% and the average exposure to fixed income was 38.44% with 0.08% in cash. The equity exposure of 61.48% was represented by the **United Global Dividend Equity Fund** and the fixed income was comprised of a 7.55% exposure to the **United SGD Plus Fund** and a 30.89% exposure to the **United Asian Bond Fund**.

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

### Economic and Market Review

Over the full year period ending 30 June 2021, global markets were driven by the strong recovery from the depths of the pandemic in 2020 with the support of loose monetary policies from central banks by keeping interest rates low. The momentum carried over into 2021 which saw optimism gathering pace as vaccination programmes were rolled which helped to lower hospitalisation and fatality rates worldwide. Many of the developed markets had achieved high levels of vaccinations allowing their economies to lift social mobility restrictions and reopen gradually by the end of the first half of 2021.

Economic and earnings growth forecasts for 2021 hit 20-year highs in the wake of the strong recovery from the lows of the 2020 recession. At the start of the year, the consensus forecast for global growth in 2021 was 4.4%, but by the end of the first half, the projection for global GDP for 2021 has been revised upwards to 6.0%. Earnings growth around the world is expected to be above 30% for most of the major regions.

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

During the period, most indicators of economic activity were robust. The developed markets like the **US** saw Purchasing Managers' Index (PMI) stretching to high levels of 50 to 60, while **China** saw steady PMI's over 50. Industrial production growth in the **US** had started the period with sharply negative growth rates but has since rebounded to +10% by the end of the period. Due to fiscal support, the **US** also saw retail sales growth range from +5% to +20% for most of the period. There have been many indicators of economic recovery from the pandemic across the globe.

The strong recovery helped to support healthy performances in risk assets during the period ended 30 June 2021. Global equities, such as measured by the MSCI AC World Index gained 35% in SGD terms. The **US** and Asian equity markets were the top performers, up by 35.9% and 35.1% respectively (in SGD terms). Returns for **Europe** and **Japan** lagged the global benchmarks with returns of 30.9% and 20.7% respectively (in SGD terms).

Fixed income benchmarks were more mixed over the period. Credit spreads tightened over the one-year period, but bond yields rose as both spreads and yields reacted to the strong recovery. Global investment grade (IG) credit spreads tightened from 1.56% to 0.856%, while non-investment grade spreads tightened from 6.63% to 3.44%. Bond yields such as the 10-year US Treasury (UST) yield remained low in 2020 but rose sharply in the first quarter of 2021 on concerns over inflation before moderating in the second quarter of 2021. The 10-yr UST yield which started the period at 0.66% had risen to 1.74% at the end of the first quarter of 2021 before ending at 1.47% at end June 2021. Overall, this led to broad benchmarks such as the Barclays Global Agg gaining 0.1% (in USD terms) during the one-year period while more credit driven benchmarks such as the Barclays Global High Yield benchmark gained 13.6% during the period. Likewise, Asian benchmarks such as the JP Morgan Asia Credit Index (JACI) Investment Grade (IG) benchmark gained 2.7% during the period while the JACI non-IG benchmark gained 8.1% for the 1-year period ended 30 June 2021 (all in USD terms).

The first half of 2021 has ended with rising uncertainties due to the emergence and spread of the more infectious Delta variant of the Covid virus. Meanwhile, rising inflation is testing policy makers' determination to maintain their accommodative policies.

## **Outlook and Fund Strategy**

For the second half of the year, we maintain a positive outlook for growth in 2021 and continue to expect a stable environment for equities. We expect bond yields to rise modestly from current levels, but we think that most of the bond yield moves have already taken place. Despite strong global growth, we expect bond yields will ultimately be well-anchored by central bank policies that are targeted to limit interest rate hikes until average inflation compensates for years of undershooting inflation targets. Equities should continue to benefit from both strong growth and positive earnings revisions over the course of the year as well as well-anchored bond yields. Tactically, we think markets have had a strong run and may be vulnerable to a consolidation period despite the positive growth backdrop. We seek to balance the risks of a near-term consolidation versus the positive overall investment environment. Risks regarding the pandemic and potentially surprising levels of inflation remain key risks, but our base case is for stable markets in 2021.

**A) Fund Performance** (continued)

It is our view that a new expansion cycle has started. The average expansion cycle over the past 50 years typically last 5 to 10 years. The current cycle is now only in its first year and will likely continue for several more years of expansion. Our base case outlook is for a strong recovery which will see a gradual normalisation of the long-term bond yields. We expect the 10-year UST yield to range between 1.5% and 1.75% by the end of 2021. We think the growth backdrop will continue to support growth assets such as equities, credit, and commodities over the course of the year. However, some caution is prudent given that most assets are already priced over the first half of the year amid rising risks of inflation. Geographically, we continue to favour Asia for 2021, but has switched to a neutral weighting in the near term due to rising bond yields and the risk arising from the pandemic in the region.

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

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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2021 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
Singapore	8,890,623	99.92
Portfolio of investments	8,890,623	99.92
Other net assets/(liabilities)	7,395	0.08
<b>Total</b>	<b>8,898,018</b>	<b>100.00</b>

**ii) Industry**

N/A

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted unit trusts	8,890,623	99.92
Other net assets/(liabilities)	7,395	0.08
<b>Total</b>	<b>8,898,018</b>	<b>100.00</b>

**iv) Credit rating of quoted bonds**

N/A



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

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**C) Top Ten Holdings**

10 largest holdings as at 30 June 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITED GLOBAL DIVIDEND EQUITY FUND	5,470,403	61.48
UNITED ASIAN BOND FUND - CLASS SGD	2,748,920	30.89
UNITED SGD PLUS FUND - CLASS A SGD DIST	671,300	7.55

There were only 3 holdings as at 30 June 2021.

10 largest holdings as at 30 June 2020

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

There were only 3 holdings as at 30 June 2020.

**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 30 June 2021

N/A

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

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**D) Exposure to derivatives** (continued)

- ii) Net gains/(losses) on derivative contracts realised during the financial year ended 30 June 2021

N/A

- iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2021

N/A

**E) Amount and percentage of NAV invested in other schemes as at 30 June 2021**

Please refer to the Statements of Portfolio.

**F) Amount and percentage of borrowings to NAV as at 30 June 2021**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 30 June 2021**

Total amount of redemptions	SGD	985,427
Total amount of subscriptions	SGD	163,691

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

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

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

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2021 and 30 June 2020

10 largest holdings as at 30 June 2021

	<b>United Global Dividend Equity Fund</b>	
	<b>Fair Value</b>	<b>Percentage of total net assets attributable to unitholders</b>
	<b>(S\$)</b>	<b>%</b>
ELI LILLY & CO	924,020	7.70
UNITEDHEALTH GROUP INC	778,341	6.48
SOFTBANK CORP	737,580	6.14
KIMBERLY-CLARK CORP	713,554	5.94
CHINA SHENHUA ENERGY CO LTD	683,509	5.69
KUEHNE & NAGEL INTERNATIONAL AG	603,128	5.02
RIO TINTO PLC	577,977	4.81
COLGATE-PALMOLIVE CO	576,606	4.80
MAXIM INTEGRATED PRODUCTS INC	571,173	4.76
ALTRIA GROUP INC	554,712	4.62

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

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2021 and 30 June 2020 (continued)

10 largest holdings as at 30 June 2020

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

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

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2021 and 30 June 2020 (continued)

10 largest holdings as at 30 June 2021

	<b>United Asian Bond Fund</b>	
	<b>Fair Value</b>	<b>Percentage of</b>
	<b>(S\$)</b>	<b>total net assets</b>
		<b>attributable to</b>
		<b>unitholders</b>
		<b>%</b>
UNITED ASIAN HIGH YIELD BOND FUND - CLASS SGD DIST	5,922,000	6.19
UNITED ASIAN LOCAL CURRENCY BOND FUND - CLASS USD DIST	3,773,745	3.95
YANGO JUSTICE INTERNATIONAL COMPANY GUARANT REGS 09/24 7.875	2,486,794	2.60
SHENZHEN EXPRESSWAY SR UNSECURED REGS 07/26 1.75	2,151,564	2.25
BAOXIN AUTO FINANCE I LTD COMPANY GUARANT REGS 12/99 VAR	2,122,081	2.22
CHINA HUADIAN OVERSEAS COMPANY GUARANT REGS VAR	1,973,214	2.06
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	1,916,061	2.00
INDONESIA ASAHAN ALUMINIUM SR UNSECURED REGS 11/48 6.757	1,747,043	1.83
REPUBLIC OF INDONESIA SR UNSECURED REGS 01/45 5.125	1,667,466	1.74
CENTRAL CHINA REAL ESTATE SR SECURED REGS 08/22 6.875	1,584,816	1.66

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

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

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2021 and 30 June 2020 (continued)

10 largest holdings as at 30 June 2020

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

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

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

- ii) Expense ratios for the financial year ended 30 June 2021 and 30 June 2020

**United Global Dividend Equity Fund**

30 June 2021	2.48%
30 June 2020	2.45%

**United Asian Bond Fund - Class SGD**

30 June 2021	1.30%
30 June 2020	1.34%

*Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the underlying scheme's expense ratio at 30 June 2021 was based on total operating expenses divided by the average net asset value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The underlying scheme does not pay any performance fee. The average net asset value is based on the daily balances.*

- iii) Turnover ratios for the financial year ended 30 June 2021 and 30 June 2020

**United Global Dividend Equity Fund**

30 June 2021	190.93%
30 June 2020	95.00%

**United Asian Bond Fund**

30 June 2021	227.78%
30 June 2020	171.07%

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

<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.

**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-funds of United Global Portfolios, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the "Sub-Funds") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Funds during the financial year covered by these financial statements, set out on pages 28 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  
24 September 2021

## **United Global Portfolios**

(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 28 to 75, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the sub-funds of United Global Portfolios, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the "Sub-Funds") as at 30 June 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-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT  
Authorised signatory  
24 September 2021

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

### ***Our Opinion***

In our opinion, the accompanying financial statements of the sub-funds of United Global Portfolios, namely United Singapore Bond Fund and United Global Dividend Balanced Fund (collectively referred to as the "Sub-Funds"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial positions and portfolio holdings of the Sub-Funds as at 30 June 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-Funds comprise:

- the Statements of Total Return for the financial year ended 30 June 2021;
- the Statements of Financial Position as at 30 June 2021;
- the Statements of Movements of Unitholders' Funds for the financial year ended 30 June 2021;
- the Statements of Portfolio as at 30 June 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-Funds in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### ***Other Information***

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

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

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

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

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

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for 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-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Sub-Funds or to cease the Sub-Funds' operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 24 September 2021

# United Global Portfolios

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

## STATEMENTS OF TOTAL RETURN

For the financial year ended 30 June 2021

	Note	United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>Income</b>					
Dividends		-	-	258,422	340,849
Interest		136	2,332	-	15
Other income		-	15,000	-	-
<b>Total</b>		<u>136</u>	<u>17,332</u>	<u>258,422</u>	<u>340,864</u>
<b>Less: Expenses</b>					
Management fee	11	1,389,291	1,275,582	107,441	130,480
Less: Management fee rebate	11	-	-	(113,426)	(135,665)
Trustee fee	11	88,849	81,005	5,000	4,976
Audit fee		14,646	16,088	13,690	13,605
Registrar fee	11	14,979	15,000	14,979	15,000
Valuation fee	11	315,748	289,905	10,744	13,048
Custody fee	11	40,660	32,128	5,629	7,374
Other expenses		92,832	50,178	24,586	17,169
<b>Total</b>		<u>1,957,005</u>	<u>1,759,886</u>	<u>68,643</u>	<u>65,987</u>
<b>Net income/(losses)</b>		<u>(1,956,869)</u>	<u>(1,742,554)</u>	<u>189,779</u>	<u>274,877</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>					
Net gains/(losses) on investments		2,010,736	21,281,254	945,218	(1,023,937)
Net gains/(losses) on financial derivatives		159,974	(147,984)	-	-
Net foreign exchange gains/(losses)		(1,786)	(4,755)	(240)	271
		<u>2,168,924</u>	<u>21,128,515</u>	<u>944,978</u>	<u>(1,023,666)</u>
<b>Total return/(deficit) for the financial year before income tax</b>		212,055	19,385,961	1,134,757	(748,789)
Less: Income tax expense	3	-	-	(38,648)	(26,627)
<b>Total return/(deficit) for the financial year</b>		<u>212,055</u>	<u>19,385,961</u>	<u>1,096,109</u>	<u>(775,416)</u>

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

# United Global Portfolios

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

## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Note	United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Assets</b>					
Portfolio of investments		229,088,631	245,848,173	8,890,623	9,032,008
Receivables	5	283,916	375,969	54,504	43,750
Cash and bank balances		8,064,862	9,748,557	107,248	59,363
<b>Total assets</b>		<u>237,437,409</u>	<u>255,972,699</u>	<u>9,052,375</u>	<u>9,135,121</u>
<b>Liabilities</b>					
Purchases awaiting settlement		5,297,562	7,017,155	-	-
Payables	6	927,816	1,716,661	124,618	140,222
Distribution payable	4	862	-	29,739	29,946
Financial derivatives at fair value	7	13,184	40,904	-	-
<b>Total liabilities</b>		<u>6,239,424</u>	<u>8,774,720</u>	<u>154,357</u>	<u>170,168</u>
<b>Equity</b>					
<b>Net assets attributable to unitholders</b>	8	<u>231,197,985</u>	<u>247,197,979</u>	<u>8,898,018</u>	<u>8,964,953</u>

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

# United Global Portfolios

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

## STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2021

		United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2021	2020	2021	2020
	Note	\$	\$	\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>247,197,979</b>	229,196,726	<b>8,964,953</b>	11,539,227
<b>Operations</b>					
Change in net assets attributable to unitholders resulting from operations		<b>212,055</b>	19,385,961	<b>1,096,109</b>	(775,416)
<b>Unitholders' contributions/(withdrawals)</b>					
Creation of units		<b>108,630,833</b>	113,252,817	<b>163,691</b>	189,725
Cancellation of units		<b>(124,841,118)</b>	(114,637,525)	<b>(985,427)</b>	(1,576,470)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(16,210,285)</b>	(1,384,708)	<b>(821,736)</b>	(1,386,745)
Distributions	4	<b>(1,764)</b>	-	<b>(341,308)</b>	(412,113)
Total increase/(decrease) in net assets attributable to unitholders		<b>(15,999,994)</b>	18,001,253	<b>(66,935)</b>	(2,574,274)
<b>Net assets attributable to unitholders at the end of the financial year</b>	8	<b>231,197,985</b>	247,197,979	<b>8,898,018</b>	8,964,953

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



# United Global Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2021

### United Singapore Bond Fund

	Holdings at 30 June 2021	Fair value at 30 June 2021 \$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>By Industry - Primary</b>			
<b>Quoted bonds</b>			
<b>CONSUMER DISCRETIONARY</b>			
METRO HOLDINGS LTD SR UNSECURED REGS 04/24 4.3	5,000,000	5,113,078	2.21
<b>FINANCIALS</b>			
AIA GROUP LTD SUBORDINATED REGS VAR	3,500,000	3,503,780	1.51
FCT MTN PTE LTD COMPANY GUARANT REGS 05/23 3.2	4,750,000	4,944,277	2.14
MAPLETREE TREASURY SERVICES COMPANY GUARANT REGS 08/25 2.85	2,750,000	2,881,398	1.25
MERCATUS CO-OPERATIVE SR UNSECURED REGS 07/24 2.8	5,000,000	5,204,446	2.25
QUE TREASURY PTE LTD COMPANY GUARANT REGS 05/23 3.55	5,000,000	<u>5,076,879</u>	<u>2.20</u>
<b>TOTAL FINANCIALS</b>		<u><b>21,610,780</b></u>	<u><b>9.35</b></u>
<b>GOVERNMENT</b>			
SINGAPORE GOVERNMENT BONDS 03/46 2.75	12,100,000	14,084,400	6.09
SINGAPORE GOVERNMENT BONDS 03/50 1.875	11,900,000	12,012,455	5.20
SINGAPORE GOVERNMENT BONDS 04/42 2.75	8,300,000	9,503,500	4.11
SINGAPORE GOVERNMENT BONDS 07/29 2.875	7,500,000	8,357,250	3.61
SINGAPORE GOVERNMENT BONDS 07/31 1.625	5,300,000	5,297,562	2.29

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

# United Global Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2021

### United Singapore Bond Fund

	Holdings at 30 June 2021	Fair value at 30 June 2021 \$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>GOVERNMENT (continued)</b>			
SINGAPORE GOVERNMENT BONDS 07/39 2.375	5,600,000	6,030,556	2.61
SINGAPORE GOVERNMENT BONDS 08/36 2.25	13,900,000	14,624,259	6.33
SINGAPORE GOVERNMENT BONDS 09/30 2.875	11,500,000	12,803,058	5.54
SINGAPORE GOVERNMENT BONDS 09/33 3.375	11,200,000	<u>13,188,000</u>	<u>5.70</u>
<b>TOTAL GOVERNMENT</b>		<u><b>95,901,040</b></u>	<u><b>41.48</b></u>
<b>INDUSTRIALS</b>			
KEPPEL CORP LTD SR UNSECURED REGS 11/23 3.725	3,750,000	3,960,332	1.71
PROFESIONAL TELEKOMUNIKASI BANK GUARANT REGS 11/24 3.25	2,500,000	2,635,106	1.14
SINGPOST GROUP TREASURY COMPANY GUARANT REGS 11/30 2.53	5,000,000	5,131,577	2.22
SURBANA JURONG PTE LTD SR UNSECURED REGS 10/25 4.11	7,250,000	<u>7,915,171</u>	<u>3.42</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>19,642,186</b></u>	<u><b>8.49</b></u>
<b>REAL ESTATE</b>			
AIMS APAC REIT SR UNSECURED REGS 11/24 3.6	4,750,000	4,843,404	2.09
ARA LOGOS LOGISTICS TRUST SUBORDINATED REGS VAR	3,750,000	3,846,740	1.66

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

# United Global Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2021

### United Singapore Bond Fund

	Holdings at 30 June 2021	Fair value at 30 June 2021 \$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>REAL ESTATE (continued)</b>			
ASCENDAS REIT SR UNSECURED REGS 08/30 2.65	3,750,000	3,896,994	1.69
CAPITALAND CHINA TRUST SR UNSECURED REGS 06/28 2.4	5,000,000	4,996,100	2.16
CAPITALAND TREASURY LTD COMPANY GUARANT REGS 08/29 3.15	5,500,000	5,793,512	2.51
CMT MTN PTE LTD COMPANY GUARANT REGS 08/25 3.2	1,250,000	1,338,420	0.58
CMT MTN PTE LTD COMPANY GUARANT REGS 11/23 3.2115	1,000,000	1,052,926	0.45
ESR-REIT JR SUBORDINATED REGS 12/99 VAR	5,000,000	4,937,500	2.14
FH-REIT TREASURY PTE LTD COMPANY GUARANT REGS 11/24 3.08	5,000,000	5,139,576	2.22
FRASERS PROPERTY TREASUR COMPANY GUARANT REGS 07/21 2.5	3,500,000	4,698,819	2.03
FRASERS PROPERTY TREASURY COMPANY GUARANT REGS VAR	5,000,000	5,133,253	2.22
GOLD RIDGE PTE LTD SR SECURED REGS 08/23 2.9	5,000,000	5,121,918	2.21
KEPPEL LAND LTD SR UNSECURED REGS 05/26 2	5,000,000	5,031,248	2.18
LIPPO MALLS INDONESIA RETAIL TRUST SUBORDINATED REGS 12/99 VAR	3,000,000	2,460,236	1.06
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	7,000,000	7,137,679	3.09
RCS TRUST SR UNSECURED REGS 03/25 3.2	5,000,000	5,333,054	2.31
RCS TRUST SR UNSECURED REGS 09/24 3.05	1,500,000	1,584,729	0.69

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

# United Global Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2021

### United Singapore Bond Fund

	Holdings at 30 June 2021	Fair value at 30 June 2021 \$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>REAL ESTATE (continued)</b>			
STARHILL GLOBAL REIT SUBORDINATED REGS VAR	5,000,000	4,946,400	2.14
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 02/25 3.355	7,500,000	<u>7,734,652</u>	<u>3.35</u>
<b>TOTAL REAL ESTATE</b>		<u><b>85,027,160</b></u>	<u><b>36.78</b></u>
<b>Accrued interest receivable on quoted bonds</b>		<u><b>1,794,387</b></u>	<u><b>0.78</b></u>
<b>Total Bonds</b>		<u><b>229,088,631</b></u>	<u><b>99.09</b></u>
<b>Portfolio of investments</b>		<b>229,088,631</b>	<b>99.09</b>
<b>Other net assets/(liabilities)</b>		<u><b>2,109,354</b></u>	<u><b>0.91</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>231,197,985</b></u>	<u><b>100.00</b></u>

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

## United Global Portfolios

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

### STATEMENTS OF PORTFOLIO

As at 30 June 2021

	<b>United Singapore Bond Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 30 June 2021 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2020 %</b>
<b>By Industry - Primary (Summary)</b>		
<b>Quoted bonds</b>		
Consumer Discretionary	2.21	4.33
Financials	9.35	9.45
Government	41.48	43.98
Health Care	-	0.59
Industrials	8.49	7.75
Real Estate	36.78	32.55
Accrued interest receivable on quoted bonds	0.78	0.80
<b>Portfolio of investments</b>	<b>99.09</b>	<b>99.45</b>
<b>Other net assets/(liabilities)</b>	<b>0.91</b>	<b>0.55</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 Global Portfolios

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

### STATEMENTS OF PORTFOLIO

As at 30 June 2021

#### United Singapore Bond Fund

	Fair value at 30 June 2021 \$	Percentage of total net assets attributable to unitholders at 30 June 2021 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
<b>By Geography - Secondary Quoted bonds</b>			
China	-	-	2.01
Hong Kong	3,503,780	1.51	-
Indonesia	2,635,106	1.14	1.04
Singapore	221,155,358	95.66	94.55
United States	-	-	1.05
Accrued interest receivable on quoted bonds	1,794,387	0.78	0.80
<b>Portfolio of investments</b>	<b>229,088,631</b>	<b>99.09</b>	99.45
<b>Other net assets/(liabilities)</b>	<b>2,109,354</b>	<b>0.91</b>	0.55
<b>Net assets attributable to unitholders</b>	<b>231,197,985</b>	<b>100.00</b>	100.00

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

## United Global Portfolios

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

### STATEMENTS OF PORTFOLIO

As at 30 June 2021

	United Global Dividend Balanced Fund		
	Holdings at	Fair value at	Percentage of
	30 June	30 June	total net assets
	2021	2021	attributable to
		\$	unitholders at
			30 June
			2021
			%
<b>By Industry - Primary</b>			
<b>Quoted unit trusts</b>			
<b>UNIT TRUSTS</b>			
UNITED ASIAN BOND FUND - CLASS SGD	1,697,912	2,748,920	30.89
UNITED GLOBAL DIVIDEND EQUITY FUND	3,527,017	5,470,403	61.48
UNITED SGD PLUS FUND - CLASS A SGD DIST	700,000	<u>671,300</u>	<u>7.55</u>
<b>TOTAL UNIT TRUSTS</b>		<u><b>8,890,623</b></u>	<u><b>99.92</b></u>
<b>Portfolio of investments</b>		<b>8,890,623</b>	<b>99.92</b>
<b>Other net assets/(liabilities)</b>		<u><b>7,395</b></u>	<u><b>0.08</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>8,898,018</b></u>	<u><b>100.00</b></u>

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

## United Global Portfolios

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

### STATEMENTS OF PORTFOLIO

As at 30 June 2021

	<b>United Global Dividend Balanced Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 30 June 2021</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2020</b>
	<b>%</b>	<b>%</b>
<b>By Industry - Primary (Summary)</b>		
Unit Trusts	<u>99.92</u>	<u>100.75</u>
<b>Portfolio of investments</b>	<b>99.92</b>	<b>100.75</b>
<b>Other net assets/(liabilities)</b>	<u>0.08</u>	<u>(0.75)</u>
<b>Net assets attributable to unitholders</b>	<u><b>100.00</b></u>	<u><b>100.00</b></u>

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



## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

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

### **1 General**

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

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

United Singapore Bond Fund is included under the Central Provident Fund (“CPF”) Investment Scheme. Effective from 15 December 2020, only Class A SGD Acc units are available for subscription using CPF monies.

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

#### **United Singapore Bond Fund**

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

With effect from 15 December 2020, the following classes of units have been established within the Sub-Fund:

- Class A SGD Acc
- Class A SGD Dist
- Class B SGD Acc
- Class B SGD Dist

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

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

#### **United Singapore Bond Fund (continued)**

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

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

As at 30 June 2021, the Sub-Fund has issued Class A SGD Acc and Class A SGD Dist.

#### **United Global Dividend Balanced Fund**

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

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

### **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-Funds and had no material effect on the amounts reported for the current or prior years.

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

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

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

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

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

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

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

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

##### *(iii) Derecognition*

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

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

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

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

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

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

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

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

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

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

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

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

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

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

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

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

#### **(j) Management fee rebates**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

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

#### **(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 Statements of Total Return.

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

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

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

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

#### **(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).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 2 Significant accounting policies (continued)

#### (n) Structured entities (continued)

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

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

### 3 Income tax

	<b>United Global Dividend Balanced Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Singapore income tax expense	<b>38,648</b>	26,627

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 3 Income tax (continued)

The Trustee of the Sub-Funds has assessed and is satisfied that the Sub-Funds have met the requisite conditions under the Designated Unit Trust (“DUT”) Scheme for the current financial year. The Trustee of the Sub-Funds will ensure that the Sub-Funds fulfill their reporting obligations under the DUT Scheme.

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

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

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

The Sub-Funds are 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-Funds’ 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-Funds. 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.

As at 30 June 2021 and 2020, the Sub-Funds have 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.

## United Global Portfolios

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

#### 4 Distributions

	United Singapore Bond Fund			
	2021		2020	
	Per 100 units	Amount	Per 100 units	Amount
	\$	\$	\$	\$
<b>Class A SGD Dist</b>				
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	0.475	902	-	-
June final distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	0.483	<u>862</u>	-	<u>-</u>
		<u>1,764</u>		<u>-</u>



# United Global Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 4 Distributions (continued)

	United Global Dividend Balanced Fund			
	2021		2020	
	Per 100 units \$	Amount \$	Per 100 units \$	Amount \$
July interim distribution on units outstanding as at 3 August 2020 (2020: 1 August 2019)	0.213	29,548	0.239	37,881
August interim distribution on units outstanding as at 1 September 2020 (2020: 2 September 2019)	0.214	29,353	0.236	36,972
September interim distribution on units outstanding as at 1 October 2020 (2020: 1 October 2019)	0.210	27,761	0.239	37,125
October interim distribution on units outstanding as at 2 November 2020 (2020: 1 November 2019)	0.205	26,944	0.238	36,937
November interim distribution on units outstanding as at 1 December 2020 (2020: 2 December 2019)	0.213	27,805	0.241	36,942
December interim distribution on units outstanding as at 4 January 2021 (2020: 2 January 2020)	0.215	27,901	0.240	36,473
January interim distribution on units outstanding as at 1 February 2021 (2020: 3 February 2020)	0.214	27,583	0.242	36,532
February interim distribution on units outstanding as at 1 March 2021 (2020: 2 March 2020)	0.216	27,943	0.234	33,916
March interim distribution on units outstanding as at 1 April 2021 (2020: 1 April 2020)	0.223	28,708	0.202	29,148
April interim distribution on units outstanding as at 3 May 2021 (2020: 4 May 2020)	0.224	28,823	0.210	30,227
May interim distribution on units outstanding as at 1 June 2021 (2020: 1 June 2020)	0.228	29,200	0.213	30,014
June final distribution on units outstanding as at 1 July 2021 (2020: 1 July 2020)	0.232	29,739	0.213	29,946

## United Global Portfolios

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

#### 4 Distributions (continued)

United Global Dividend Balanced Fund			
2021		2020	
Per 100 units	Amount	Per 100 units	Amount
\$	\$	\$	\$
	<u>341,308</u>		<u>412,113</u>

#### 5 Receivables

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2021	2020	2021	2020
	\$	\$	\$	\$
Amounts receivable for creation of units	120,270	257,252	7,140	-
Management fee rebate receivable	-	-	29,108	29,599
Other receivables	<u>163,646</u>	<u>118,717</u>	<u>18,256</u>	<u>14,151</u>
	<u>283,916</u>	<u>375,969</u>	<u>54,504</u>	<u>43,750</u>

#### 6 Payables

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2021	2020	2021	2020
	\$	\$	\$	\$
Amounts payable for cancellation of units	478,808	1,231,876	65	59
Amount due to the Manager	401,315	405,316	30,054	30,678
Amount due to Trustee	20,809	40,489	1,250	2,500
Tax payables	-	-	74,534	82,344
Other creditors and accrued expenses	<u>26,884</u>	<u>38,980</u>	<u>18,715</u>	<u>24,641</u>
	<u>927,816</u>	<u>1,716,661</u>	<u>124,618</u>	<u>140,222</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 7 Fair value of financial derivatives

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

<b>United Singapore Bond 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>4,289,274</b>	-	<b>13,184</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	<b>4,422,032</b>	-	<b>40,904</b>

There were no outstanding financial derivatives as at 30 June 2021 and 2020 for United Global Dividend Balanced Fund.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 8 Units in issue

During the financial years ended 30 June 2021 and 2020, the numbers of units issued, redeemed and outstanding were as follows:

	United Singapore Bond Fund		
	Class A SGD Acc		Class A SGD Dist*
	2021	2020	2021
Units at the beginning of the financial year	<b>148,652,363</b>	149,952,861	-
Units created	<b>64,401,390</b>	70,272,832	<b>258,501</b>
Units cancelled	<b>(74,379,044)</b>	(71,573,330)	<b>(80,051)</b>
Units at the end of the financial year	<b><u>138,674,709</u></b>	<u>148,652,363</u>	<b><u>178,450</u></b>
	\$	\$	\$
Net assets attributable to unitholders	<b>231,026,386</b>	247,197,979	<b>171,599</b>
Net assets value per unit	<b>1.665</b>	1.662	<b>0.961</b>

\* Current year disclosure for Class A SGD Dist is covering the period from 4 January 2021 (date of inception) to 30 June 2021.

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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**8 Units in issue** (continued)

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

	<b>United Singapore Bond Fund</b>		
	<b>Class A SGD Acc</b>		<b>Class A SGD</b>
	<b>2021</b>	<b>2020</b>	<b>Dist*</b>
	<b>\$</b>	<b>\$</b>	<b>2021</b>
			<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>1.665</b>	1.662	<b>0.961</b>
Effect of distribution payable	<u>-</u>	<u>-</u>	<u><b>0.005</b></u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>1.665</b></u>	<u>1.662</u>	<u><b>0.966</b></u>

\* Current year disclosure for Class A SGD Dist is covering the period from 4 January 2021 (date of inception) to 30 June 2021.

	<b>United Global Dividend Balanced Fund</b>	
	<b>2021</b>	<b>2020</b>
Units at the beginning of the financial year	<b>14,078,454</b>	16,066,656
Units created	<b>248,114</b>	274,036
Units cancelled	<u><b>(1,528,981)</b></u>	<u>(2,262,238)</u>
Units at the end of the financial year*	<u><b>12,797,587</b></u>	<u>14,078,454</u>
*Included above are units denominated in USD	<b>156,005</b>	154,044
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders	<b>8,898,018</b>	8,964,953
Net assets value per unit	<b>0.695</b>	0.636

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 8 Units in issue (continued)

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

	<b>United Global Dividend Balanced Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>0.695</b>	0.636
Effect of distribution payable	<u><b>0.002</b></u>	<u>0.002</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>0.697</b></u>	<u>0.638</u>

### 9 Financial risk management

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**9 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

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

**United Singapore Bond Fund**  
**As at 30 June 2021**

	USD \$	SGD \$	Total \$
<b>Assets</b>			
Portfolio of investments	4,751,094	224,337,537	229,088,631
Receivables	-	283,916	283,916
Cash and bank balances	13,515	8,051,347	8,064,862
<b>Total Assets</b>	<u>4,764,609</u>	<u>232,672,800</u>	<u>237,437,409</u>
<b>Liabilities</b>			
Purchases awaiting settlement	-	5,297,562	5,297,562
Payables	-	927,816	927,816
Distribution payable	-	862	862
<b>Total Liabilities</b>	<u>-</u>	<u>6,226,240</u>	<u>6,226,240</u>
<b>Net Assets</b>	4,764,609	226,446,560	
Foreign currency contracts (notional value)	<u>(4,289,274)</u>	<u>4,289,274</u>	
<b>Net currency exposure</b>	<u>475,335</u>	<u>230,735,834</u>	



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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**9 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

United Singapore Bond Fund

As at 30 June 2020

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**9 Financial risk management** (continued)

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

*(i) Foreign exchange risk (continued)*

**United Global Dividend Balanced Fund**  
**As at 30 June 2021**

	USD \$	SGD \$	Total \$
<b>Assets</b>			
Portfolio of investments	-	8,890,623	8,890,623
Receivables	-	54,504	54,504
Cash and bank balances	<u>212</u>	<u>107,036</u>	<u>107,248</u>
<b>Total Assets</b>	<u>212</u>	<u>9,052,163</u>	<u>9,052,375</u>
<b>Liabilities</b>			
Payables	-	124,618	124,618
Distribution payable	<u>362</u>	<u>29,377</u>	<u>29,739</u>
<b>Total Liabilities</b>	<u>362</u>	<u>153,995</u>	<u>154,357</u>
 <b>Net currency exposure</b>	 <u>(150)</u>	 <u>8,898,168</u>	

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 9 Financial risk management (continued)

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

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

United Global Dividend Balanced Fund

As at 30 June 2020

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

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

##### (ii) Price risk

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-Funds. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 9 Financial risk management (continued)

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

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

#### United Singapore Bond Fund

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

#### United Global Dividend Balanced Fund

The table below summarises the impact of increases/decreases from the Sub-Fund's investments in Investee Funds on the Sub-Fund's net assets attributable to unitholders at 30 June 2021 and 2020. The analysis is based on the assumption that the index components within the benchmark and the prices of the Investee Funds increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Investee Funds moved according to the historical correlation with the index. For Investee Funds with an absolute return benchmark, the analysis is based on the assumption that the prices of the Investee Funds increased/decreased by a reasonable possible shift.

Benchmark component	Volatility %	2021	Volatility %	2020
		Net impact to net assets attributable to unitholders \$		Net impact to net assets attributable to unitholders \$
MSCI AC World Index (Benchmark of United Global Dividend Equity Fund)	20	1,026,843	20	1,038,457
JP Morgan Asia Credit Index Total Return Composite (Benchmark of United Asian Bond Fund)	20	691,361	20	726,430
United SGD Plus Fund	3	20,139	7	52,069

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 9 Financial risk management (continued)

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

##### (iii) Interest rate risk

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

#### United Singapore Bond Fund

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

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

	United Singapore Bond Fund			
	Variable rates	Fixed rate	Non-interest bearing	Total
	\$	\$	\$	\$
<b>As at 30 June 2021</b>				
<b>Assets</b>				
Portfolio of investments	24,827,909	202,466,335	1,794,387	229,088,631
Receivables	-	-	283,916	283,916
Cash and bank balances	8,064,862	-	-	8,064,862
<b>Total Assets</b>	<b>32,892,771</b>	<b>202,466,335</b>	<b>2,078,303</b>	<b>237,437,409</b>
<b>Liabilities</b>				
Purchases awaiting settlement	-	-	5,297,562	5,297,562
Payables	-	-	927,816	927,816
Distribution payable	-	-	862	862
Financial derivatives at fair value	-	-	13,184	13,184
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>6,239,424</b>	<b>6,239,424</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**9 Financial risk management** (continued)

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

*(iii) Interest rate risk (continued)*

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

As at 30 June 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 Singapore Bond Fund</b>	<b>50</b>	<b>8,041,487</b>	<b>50</b>	<b>7,876,549</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

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

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

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

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

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

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

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

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 9 Financial risk management (continued)

#### (b) Liquidity risk (continued)

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

	United Singapore Bond Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2021</b>			
Purchases awaiting settlement	5,297,562	-	-
Payables	927,816	-	-
Distribution payable	862	-	-
Financial derivatives at fair value			
- Foreign currency contracts	-	13,184	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2020</b>			
Purchases awaiting settlement	7,017,155	-	-
Payables	1,716,661	-	-
Financial derivatives at fair value			
- Foreign currency contracts	-	40,904	-



## United Global Portfolios

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

#### 9 Financial risk management (continued)

##### (b) Liquidity risk (continued)

	United Global Dividend Balanced Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2021</b>			
Payables	124,618	-	-
Distribution payable	29,739	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2020</b>			
Payables	140,222	-	-
Distribution payable	29,946	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 9 Financial risk management (continued)

#### (b) Liquidity risk (continued)

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

	United Singapore Bond Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2021</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	-	4,289,274	-
- outflow	-	(4,302,458)	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2020</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	-	4,422,032	-
- outflow	-	(4,462,936)	-

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 9 Financial risk management (continued)

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

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

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 Singapore Bond 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>
A2	-	<b>2%</b>	-	-
A3	<b>3%</b>	-	-	-
Aaa	<b>41%</b>	-	44%	-
Ba2	-	-	1%	-
Baa1	-	-	2%	-
Baa2	-	-	2%	-
Baa3	<b>2%</b>	-	2%	-
Non-rated	<b>41%</b>	<b>9%</b>	37%	10%

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 publically available credit ratings are not available. The non-rated securities comprise of debt securities issued mainly by Singapore companies.

United Global Dividend Balanced Fund's investments comprise solely of unit trust funds as at 30 June 2021 and 2020. As such, credit risk has been represented as the custodian's credit rating on the following page.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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 tables below summarise the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 30 June 2021 and 2020.

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

#### United Singapore Bond Fund

	<b>Credit rating as at 30 June 2021</b>	Credit rating as at 30 June 2020
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	aa-
<b>Counterparty of foreign currency contracts</b>		
Westpac Banking Corporation	<b>a+</b>	a+

#### United Global Dividend Balanced Fund

	<b>Credit rating as at 30 June 2021</b>	Credit rating as at 30 June 2020
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	aa-

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

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

For purposes of impairment assessment, the Sub-Funds' 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 30 June 2021

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

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**9 Financial risk management** (continued)

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

The following tables analyse within the fair value hierarchy, the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 30 June 2021 and 2020:

	<b>United Singapore Bond 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 30 June 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted bonds	-	<u>229,088,631</u>	-	<u>229,088,631</u>
<b>Total</b>	<u>-</u>	<u>229,088,631</u>	<u>-</u>	<u>229,088,631</u>
<b>Liabilities</b>				
Financial derivatives at fair value	-	<u>13,184</u>	-	<u>13,184</u>
<b>Total</b>	<u>-</u>	<u>13,184</u>	<u>-</u>	<u>13,184</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 30 June 2020</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted bonds	-	<u>245,848,173</u>	-	<u>245,848,173</u>
<b>Total</b>	<u>-</u>	<u>245,848,173</u>	<u>-</u>	<u>245,848,173</u>
<b>Liabilities</b>				
Financial derivatives at fair value	-	<u>40,904</u>	-	<u>40,904</u>
<b>Total</b>	<u>-</u>	<u>40,904</u>	<u>-</u>	<u>40,904</u>

## United Global Portfolios

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

#### 9 Financial risk management (continued)

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

United Global Dividend Balanced Fund				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted unit trusts	<u>8,890,623</u>	-	-	<u>8,890,623</u>
<b>Total</b>	<u>8,890,623</u>	-	-	<u>8,890,623</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2020</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted unit trusts	<u>9,032,008</u>	-	-	<u>9,032,008</u>
<b>Total</b>	<u>9,032,008</u>	-	-	<u>9,032,008</u>

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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 Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statements of Financial Position are disclosed in the first three columns of the table below.

#### United Singapore Bond Fund

Financial liabilities	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
			Net amount of financial liabilities presented in the Statements of Financial Position			
	Gross amounts of financial liabilities	Statements of Financial Position	Gross amounts set off in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>30 June 2021</b>						
Derivative financial instruments	13,184	-	13,184	-	-	13,184
<b>Total</b>	<b>13,184</b>	<b>-</b>	<b>13,184</b>	<b>-</b>	<b>-</b>	<b>13,184</b>
<b>30 June 2020</b>						
Derivative financial instruments	40,904	-	40,904	-	-	40,904
<b>Total</b>	<b>40,904</b>	<b>-</b>	<b>40,904</b>	<b>-</b>	<b>-</b>	<b>40,904</b>



## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

### **10 Structured entities**

#### **United Global Dividend Balanced Fund**

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 11 Related party transactions

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

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

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

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

	<b>United Singapore Bond Fund</b>		<b>United Global Dividend Balanced Fund</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Cash and bank balances	<b>8,064,862</b>	9,748,557	<b>107,248</b>	59,363

# United Global Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

### 11 Related party transactions (continued)

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

	<b>United Singapore Bond Fund</b>		<b>United Global Dividend Balanced Fund</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Interest income	136	2,332	-	15
<b>United Overseas Bank Limited</b>				
Bank charges	15,722	13,200	1,205	1,470

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**12 Financial ratios**

Current year disclosure for Class A SGD Dist is covering the period from 4 January 2021 (date of inception) to 30 June 2021.

	<b>United Singapore Bond Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Class A SGD Acc</b>		
Total operating expenses	<b>1,956,591</b>	1,759,886
Average daily net asset value	<b><u>252,516,303</u></b>	<u>231,944,097</u>
Expense ratio <sup>1</sup>	<b><u>0.77%</u></b>	<u>0.76%</u>
<b>Class A SGD Dist</b>		
Total operating expenses	<b>414</b>	-
Average daily net asset value	<b><u>116,944</u></b>	<u>-</u>
Expense ratio (annualised) <sup>1</sup>	<b><u>0.73%</u></b>	<u>-</u>
Lower of total value of purchases or sales	<b>150,642,167</b>	97,888,561
Average daily net assets value	<b><u>252,633,247</u></b>	<u>231,944,097</u>
Turnover ratio <sup>2</sup>	<b><u>59.63%</u></b>	<u>42.20%</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 asset value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

<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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2021

**12 Financial ratios (continued)**

	<b>United Global Dividend Balanced Fund</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Total operating expenses	<b>68,643</b>	65,987
Average daily net asset value	<b>8,592,561</b>	10,438,967
Weighted average of the Investee Funds' expense ratio	<b>2.04%</b>	2.00%
Expense ratio <sup>1</sup>	<b>2.84%</b>	2.63%
Lower of total value of purchases or sales	<b>227,636</b>	298,559
Average daily net assets value	<b>8,592,561</b>	10,438,967
Turnover ratio <sup>2</sup>	<b>2.65%</b>	2.86%

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

<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.

## **United Global Portfolios**

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

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