

United ESG Advanced ETF Series

➤ UOB APAC Green REIT ETF

Semi Annual Report

for the half year ended
31 December 2022



Right By You

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Ltd

Registered Address:

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Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

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

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

UOB APAC Green REIT ETF

(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 23 November 2021 Ann Comp Ret
UOB APAC Green REIT ETF	3.02	-3.07	-16.31	N/A	N/A	N/A	-16.37
Benchmark	3.45	-2.42	-15.34	N/A	N/A	N/A	-15.08

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: iEdge-UOB APAC Yield Focus Green REIT Index.

The investment objective of the Fund aims to replicate as closely as possible, before expenses, the performance of the iEdge-UOB APAC Yield Focus Green REIT Index ("Index"). During the last 6-month performance review period as of 31 December 2022, the Fund tracks closely with the Index. UOB APAC Green REIT ETF (the "Fund") **fell 3.07%** and the underlying index was down 2.42% during performance review period.

Contributors to performance include **Scentre Group REIT (Australia)**, **Vicinity Centres Ltd REIT (Australia)** and **Mirvac Group REIT (Australia)**. The key detractors from performance were **Dexus/AU REIT (Australia)**, **Nippon Building Fund Inc REIT (Japan)** and **Link REIT (Hong Kong)**.

As of 31 December 2022, the Fund had the following regional asset allocation: **Japan** (39.28%), **Australia** (38.17%), **Singapore** (16.19%) and **Hong Kong** (6.07%) with the remainder held in cash (0.29%).

Economic and Market Review

In the six-month period under review ended 31 December 2022, Asia markets were volatile and extended its decline as hawkish policy actions from most central banks fuelled worries of a possible recession. Despite this, Asia markets relatively outperformed.

Post a brutal June selloff, global equities rallied in July following market interpretation of US Fed's dovish interest rate hike outlook. Risk assets soared, the US Dollar eased and 10y US Treasury (UST) yield fell to 2.65%. **Asia** was a relative safe haven and continued to outperform amid **EU's** energy crisis. Investors also took comfort from **China's** PBoC monetary easing as well as the State Council's pledge for further fiscal policy support to rejuvenate growth.

UOB APAC Green REIT ETF

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

A) Fund Performance (continued)

However, the rally was short-lived. Global equities stumbled in August after the US Fed's hawkishness at the Jackson Hole symposium dashed market expectations of a pivot anytime soon. The US Fed delivered its third straight 75 bps hike in September and reiterated its hawkishness. USD strength reigned amid geopolitical tensions and renewed fears of a global recession. Despite initially outperforming on back of further reopening in ASEAN, Asia markets succumbed weighed down by continued Asian FX weakness. **China** and **Hong Kong** markets declined after the Biden administration announced new restrictions on **China's** access to **US** semiconductor technology.

In the final quarter of the calendar year, **China** and **Hong Kong's** COVID pivot and planned resumption of cross-border travel fuelled a strong rally in Asian markets. However, markets ended the year in the red. The risk-on market sentiment was tempered by rapid yen appreciation owing to the Bank of Japan's Yield Curve Control (YCC) policy tweak, whilst strong US macro data reinforced US Fed hike fears.

Asia Pacific (APAC) REITs along with other yield-sensitive defensive assets bore the brunt from rising interest rates and government bond yields, notably when 10-year UST yield spiked to a new high of 4.33% in October.

Outlook and Fund Strategy

We believe long-term outlook of green REITs remain attractive given market reopening and end to interest rate hikes as tailwinds in Asia Pacific. Governmental efforts in facilitating green transition response to increase exposure to extreme effects in climate change in Asia such as the growth of green buildings supports Green REIT's capital attraction ability. In addition, growing split in value between environmentally friendly (quality) buildings and dirty (lower grade) buildings creating green premiums and brown discounts also further differentiate green REITs with conventional REITs. Given the increasing appetite in green assets investments, green REITs can continue to offer reliable and attractive dividend and portfolio diversification benefits, coupled with long-term capital appreciation while reducing risk of stranded assets given consideration of companies' environmental profile.

The Fund aims to replicate as closely as possible, before expenses, the performance of the Index. The Index is reviewed semi-annually in March and September. Results from an index review are implemented effective on the fourth Monday of the review month. The latest index review was on 26th September 2022, when the Fund's rebalancing went effective as well to track closely with the Index.

UOB APAC Green REIT ETF
(Constituted under a Trust Deed in the Republic of Singapore)

A) Fund Performance (continued)

For the latest review on 26th September 2022, the following table shows REITs removed and included.

REITs Removed:

Name	Country	Reason
Global One Real Estate Investment Corp	Japan	Relatively lower dividend payout ratio comparing to peers
Japan Real Estate Investment Corp	Japan	
Kenedix Residential Next Investment Corp	Japan	

REITs Included:

Name	Country	Reason
CapitaLand Ascendas REIT	Singapore	Higher and more attractive dividend payout comparing to peers
ESR LOGOS REIT	Singapore	
Keppel DC REIT	Singapore	
Mitsui Fudosan Logistics Park Inc REIT	Japan	

To deliver profit, the Fund aims to provide 4 percent dividend yield per annum (p.a.) on a quarterly basis. The ex-date of latest dividend distribution was on 26th September 2022 and 29th December 2022.

To deliver purpose, a “Green Tilting” methodology is applied in index construction process. The Index further seeks to reward constituents with greener credential by applying a green tilting factor. The green tilting factor is decided by REIT’s GRESB Environmental score and GRESB overall score concurrently. The weight of the REIT can either increase, reduce or remain unchanged based on how green.

UOB APAC Green REIT ETF integrates sustainability in index construction process. We measure the Fund’s green impact from 4 metrics: GHG emission, energy consumption, water consumption and Green building certification, from which the Fund shows a better sustainability performance comparing to the non-green peers.

UOB APAC Green REIT ETF

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

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Australia	26,152,463	38.17
Hong Kong	4,156,572	6.07
Japan	26,918,361	39.28
Singapore	11,097,043	16.19
Portfolio of investments	68,324,439	99.71
Other net assets/(liabilities)	198,635	0.29
Total	68,523,074	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Real Estate	68,324,439	99.71
Portfolio of investments	68,324,439	99.71
Other net assets/(liabilities)	198,635	0.29
Total	68,523,074	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	68,324,439	99.71
Other net assets/(liabilities)	198,635	0.29
Total	68,523,074	100.00

iv) Credit rating of quoted bonds

N/A

UOB APAC Green REIT ETF
(Constituted under a Trust Deed in the Republic of Singapore)

C) Top Ten Holdings

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SCENTRE GROUP REIT	4,781,403	6.98
NIPPON BUILDING FUND INC REIT	4,052,835	5.91
VICINITY CENTRES LTD REIT	3,905,658	5.70
MIRVAC GROUP REIT	3,751,286	5.47
DEXUS/AU REIT	3,749,861	5.47
STOCKLAND REIT NPV	3,583,679	5.23
GPT GROUP REIT	3,576,657	5.22
LINK REIT	3,471,813	5.07
JAPAN METROPOLITAN FUND INVESTMENT CORP REIT	3,009,196	4.39
CAPITALAND ASCENDAS REIT	2,335,576	3.41

D) Exposure to derivatives

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

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

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2022

N/A

ii) There was a net realised loss of SGD 25,009 on derivative contracts during the financial period from 1 July 2022 to 31 December 2022.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2022

N/A

UOB APAC Green REIT ETF
(Constituted under a Trust Deed in the Republic of Singapore)

E) Amount and percentage of NAV invested in other schemes as at 31 December 2022

N/A

F) Amount and percentage of borrowings to NAV as at 31 December 2022

N/A

G) Amount of redemptions and subscriptions for the financial period from 1 July 2022 to 31 December 2022

Total amount of redemptions	SGD	-
Total amount of subscriptions	SGD	390,439

H) The amount and terms of related-party transactions for the financial period from 1 July 2022 to 31 December 2022

- i) As at 31 December 2022, the Sub-Fund maintained current accounts with its related party as follows:

State Street Bank and Trust Company, Singapore Branch

Cash and bank balances	SGD	521,248
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- ii) Investment in Initial Public Offerings managed by UOB Group

N/A

- iii) As at 31 December 2022, there was no brokerage income earned by UOB Kay Hian Pte Ltd.

UOB APAC Green REIT ETF
(Constituted under a Trust Deed in the Republic of Singapore)

I) Expense ratios

	31 December 2022
	\$
Total operating expenses (excluding preliminary expenses)	780,894
Total operating expenses (including preliminary expenses)	954,194
Average daily net asset value	<u>74,873,941</u>
Expense ratio (excluding preliminary expenses) (annualised)	<u>0.94%</u>
Expense ratio (including preliminary expenses) (annualised)	<u>1.15%</u>

Current year disclosure for the Sub-Fund is covering the period from 23 November 2021 (date of inception) to 31 December 2022.

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 Sub-Fund's expense ratio at 31 December 2022 was based on total operating expenses divided by the average net asset value respectively for the financial period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

J) Turnover ratios

	31 December 2022
	\$
Lower of total value of purchases or sales	9,157,521
Average daily net assets value	<u>70,783,133</u>
Turnover ratio	<u>12.94%</u>

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

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

N/A

UOB APAC Green REIT ETF
(Constituted under a Trust Deed in the Republic of Singapore)

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

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2022

N/A

ii) Expense ratios for the financial period ended 31 December 2022

N/A

iii) Turnover ratios for the financial period ended 31 December 2022

N/A

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

M) Soft dollar commissions/arrangements

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

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

N/A

United ESG Advanced ETF Series
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STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2022 (Un-audited)

	UOB APAC Green REIT ETF 31 December 2022 \$
Income	
Dividends	<u>1,751,349</u>
Total	<u>1,751,349</u>
Less: Expenses	
Management fee	160,636
Trustee fee	12,280
Audit fee	22,313
Registrar fee	12,757
Valuation fee	44,621
Custody fee	10,768
Transaction costs	15,803
Other expenses	<u>78,850</u>
Total	<u>358,028</u>
Net income/(losses)	<u>1,393,321</u>
Net gains/(losses) on value of investments and financial derivatives	
Net gains/(losses) on investments	(3,350,854)
Net gains/(losses) on financial derivatives	(25,009)
Net foreign exchange gains/(losses)	<u>(425)</u>
	<u>(3,376,288)</u>
Total return/(deficit) for the financial period before income tax	(1,982,967)
Less: Income tax	<u>(252,550)</u>
Total return/(deficit) for the financial period	<u>(2,235,517)</u>

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 (Un-audited)

	UOB APAC Green REIT ETF	
	31 December	30 June
	2022	2022
	\$	\$
Assets		
Portfolio of investments	68,324,439	71,694,798
Receivables	761,632	814,672
Cash and bank balances	521,248	<u>365,700</u>
Total assets	<u>69,607,319</u>	<u>72,875,170</u>
Liabilities		
Payables	396,474	393,191
Distribution payable	687,771	<u>715,795</u>
Total liabilities	<u>1,084,245</u>	<u>1,108,986</u>
Equity		
Net assets attributable to unitholders	<u>68,523,074</u>	<u>71,766,184</u>

United ESG Advanced ETF Series
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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 31 December 2022 (Un-audited)

	UOB APAC Green REIT ETF	
	31 December 2022	For the financial period from 23 November 2021 (date of inception) to 30 June 2022
	\$	\$
Net assets attributable to unitholders at the beginning of the financial period	71,766,184	-
Operations		
Change in net assets attributable to unitholders resulting from operations	(2,235,517)	(13,283,819)
Unitholders' contributions/(withdrawals)		
Creation of units	390,439	86,684,465
Cancellation of units	-	(93,720)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	390,439	86,590,745
Distributions	(1,398,032)	(1,540,742)
Total increase/(decrease) in net assets attributable to unitholders	(3,243,110)	71,766,184
Net assets attributable to unitholders at the end of the financial period	68,523,074	71,766,184

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022 (Un-audited)

UOB APAC Green REIT ETF

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary			
Quoted equities			
AUSTRALIA			
BWP TRUST REIT	159,143	567,334	0.83
CHARTER HALL LONG WALE REIT	117,979	476,522	0.70
CHARTER HALL RETAIL REIT	74,758	261,054	0.38
DEXUS/AU REIT	530,688	3,749,861	5.47
GPT GROUP REIT	934,015	3,576,657	5.22
MIRVAC GROUP REIT	1,931,641	3,751,286	5.47
NATIONAL STORAGE REIT	387,673	820,026	1.20
REGION RE LTD REIT	274,799	678,983	0.99
SCENTRE GROUP REIT	1,820,911	4,781,403	6.98
STOCKLAND REIT NPV	1,082,800	3,583,679	5.23
VICINITY CENTRES LTD REIT	2,141,855	<u>3,905,658</u>	<u>5.70</u>
TOTAL AUSTRALIA		<u>26,152,463</u>	<u>38.17</u>
HONG KONG			
FORTUNE REIT	628,000	684,759	1.00
LINK REIT	352,300	<u>3,471,813</u>	<u>5.07</u>
TOTAL HONG KONG		<u>4,156,572</u>	<u>6.07</u>
JAPAN			
ACTIVIA PROPERTIES INC REIT	272	1,143,699	1.67
AEON REIT INVESTMENT CORP REIT	665	1,046,027	1.53
COMFORIA RESIDENTIAL REIT INC REIT	103	311,029	0.45
DAIWA HOUSE REIT INVESTMENT CORP	527	1,574,214	2.30
DAIWA OFFICE INVESTMENT CORP	69	449,596	0.66

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022 (Un-audited)

UOB APAC Green REIT ETF

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
JAPAN (continued)			
DAIWA SECURITIES LIVING INVESTMENTS CORP REIT	325	380,186	0.55
FRONTIER REAL ESTATE INVESTMENT CORP REIT	209	1,089,455	1.59
FUKUOKA REIT CORP	168	291,968	0.43
HEIWA REAL ESTATE REIT INC	143	220,859	0.32
HULIC REIT INC	514	857,699	1.25
ICHIGO OFFICE REIT INVESTMENT CORP	345	298,560	0.44
JAPAN EXCELLENT INC REIT	456	608,176	0.89
JAPAN METROPOLITAN FUND INVESTMENT CORP REIT	2,823	3,009,196	4.39
JAPAN PRIME REALTY INVESTMENT CORP REIT	228	860,035	1.25
KENEDIX OFFICE INVESTMENT CORP REIT	202	658,104	0.96
KENEDIX RETAIL REIT CORP	134	347,068	0.51
LASALLE LOGIPORT REIT	711	1,158,921	1.69
MITSUI FUDOSAN LOGISTICS PARK INC REIT	223	1,092,051	1.59
MORI HILLS REIT INVESTMENT CORP	647	1,036,817	1.51
MORI TRUST SOGO REIT INC	220	329,031	0.48
NIPPON BUILDING FUND INC REIT	677	4,052,835	5.91
NIPPON REIT INVESTMENT CORP	68	240,578	0.35
NOMURA REAL ESTATE MASTER FUND REIT	1,111	1,843,719	2.69
NTT UD REIT INVESTMENT CORP	537	750,650	1.10
ORIX JREIT INC REIT	677	1,285,466	1.88
SEKISUI HOUSE REIT INC	670	508,870	0.74

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022 (Un-audited)

UOB APAC Green REIT ETF

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
JAPAN (continued)			
TOKYU REIT INC REIT	196	414,064	0.60
UNITED URBAN INVESTMENT CORP REIT	691	<u>1,059,488</u>	<u>1.55</u>
TOTAL JAPAN		<u>26,918,361</u>	<u>39.28</u>
SINGAPORE			
CAPITALAND ASCENDAS REIT	852,400	2,335,576	3.41
ESR LOGOS REIT	1,834,100	678,617	0.99
FRASERS CENTREPOINT TRUST	407,500	855,750	1.25
KEPPEL DC REIT	442,700	783,579	1.14
KEPPEL REIT	706,200	642,642	0.94
MAPLETREE INDUSTRIAL TRUST	657,400	1,459,428	2.13
MAPLETREE LOGISTICS TRUST	1,057,099	1,680,787	2.45
MAPLETREE PAN ASIA COMMERCIAL TRUST	1,017,000	1,698,390	2.48
SUNTEC REIT	697,300	<u>962,274</u>	<u>1.40</u>
TOTAL SINGAPORE		<u>11,097,043</u>	<u>16.19</u>
Total Equities		<u>68,324,439</u>	<u>99.71</u>
Portfolio of investments		68,324,439	99.71
Other net assets/(liabilities)		<u>198,635</u>	<u>0.29</u>
Net assets attributable to unitholders		<u>68,523,074</u>	<u>100.00</u>

United ESG Advanced ETF Series
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STATEMENT OF PORTFOLIO

As at 31 December 2022 (Un-audited)

	UOB APAC Green REIT ETF	
	Percentage of total net assets attributable to unitholders at 31 December 2022	Percentage of total net assets attributable to unitholders at 30 June 2022
	%	%
By Geography - Primary (Summary)		
Quoted equities		
Australia	38.17	37.28
Hong Kong	6.07	7.83
Japan	39.28	40.40
Singapore	16.19	14.39
Portfolio of investments	99.71	99.90
Other net assets/(liabilities)	0.29	0.10
Net assets attributable to unitholders	100.00	100.00

By Industry - Secondary
Quoted equities

The Sub-Fund invests wholly in Real Estate as at 31 December 2022 and 30 June 2022.

