

# United Global Income Focus Fund

Annual Report

31 August 2021



## **UNITED GLOBAL INCOME FOCUS FUND**

### **REPORTS AND FINANCIAL STATEMENTS OR THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

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## **UNITED GLOBAL INCOME FOCUS FUND**

### **GENERAL INFORMATION ABOUT THE FUND**

#### **COMMENCEMENT DATE**

United Global Income Focus Fund (the "Fund") was launched on 2 October 2017 and the initial offer period was 21 days, up to 22 October 2017. The Fund commenced investment on 23 October 2017.

#### **FUND CATEGORY AND TYPE**

Fund Category - Mixed Assets (Feeder Fund)

Fund Type - Income and Growth

#### **NAME OF TARGET FUND**

Target Fund - United Income Focus Trust

### **INVESTMENT OBJECTIVE, POLICY AND STRATEGY OF THE FUND**

#### **INVESTMENT OBJECTIVE OF THE FUND**

The Fund seeks to provide regular income\* with a secondary focus on capital appreciation over the Medium to Long Term by investing in the United Income Focus Trust ("Target Fund") which invests globally in a diverse set of traditional and alternative asset classes.

\* Income distribution (if any) will be in the form of additional Units.

#### **INVESTMENT POLICY AND STRATEGY**

The Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund's net asset value ("NAV") in the Target Fund at all times. Accordingly, this Fund will have a passive strategy as all the investment decisions will be made at the Target Fund level.

#### **ASSET ALLOCATION**

> A minimum of 90% of the Fund's NAV in the Target Fund; and

> Up to 10% of the Fund's NAV in cash and/or liquid assets.

#### **PERFORMANCE BENCHMARK**

The performance of the Fund is benchmarked against 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged).

#### **CLASSES OF UNITS**

(1) MYR Class; (2) MYR hedged Class; (3) USD Class; (4) AUD hedged Class; (5) GBP hedged Class and (6) SGD hedged Class

## **DISTRIBUTION POLICY**

Subject to the availability of income, distribution will be made on a quarterly basis. Distribution of income will only be made from realised gains or realised income.

## MANAGER'S REPORT - UNITED GLOBAL INCOME FOCUS FUND

### ANNUAL REPORT

[1 September 2020 to 31 August 2021]

### UNITED GLOBAL INCOME FOCUS FUND - MYR HEDGED CLASS

### FUND PERFORMANCE REVIEW

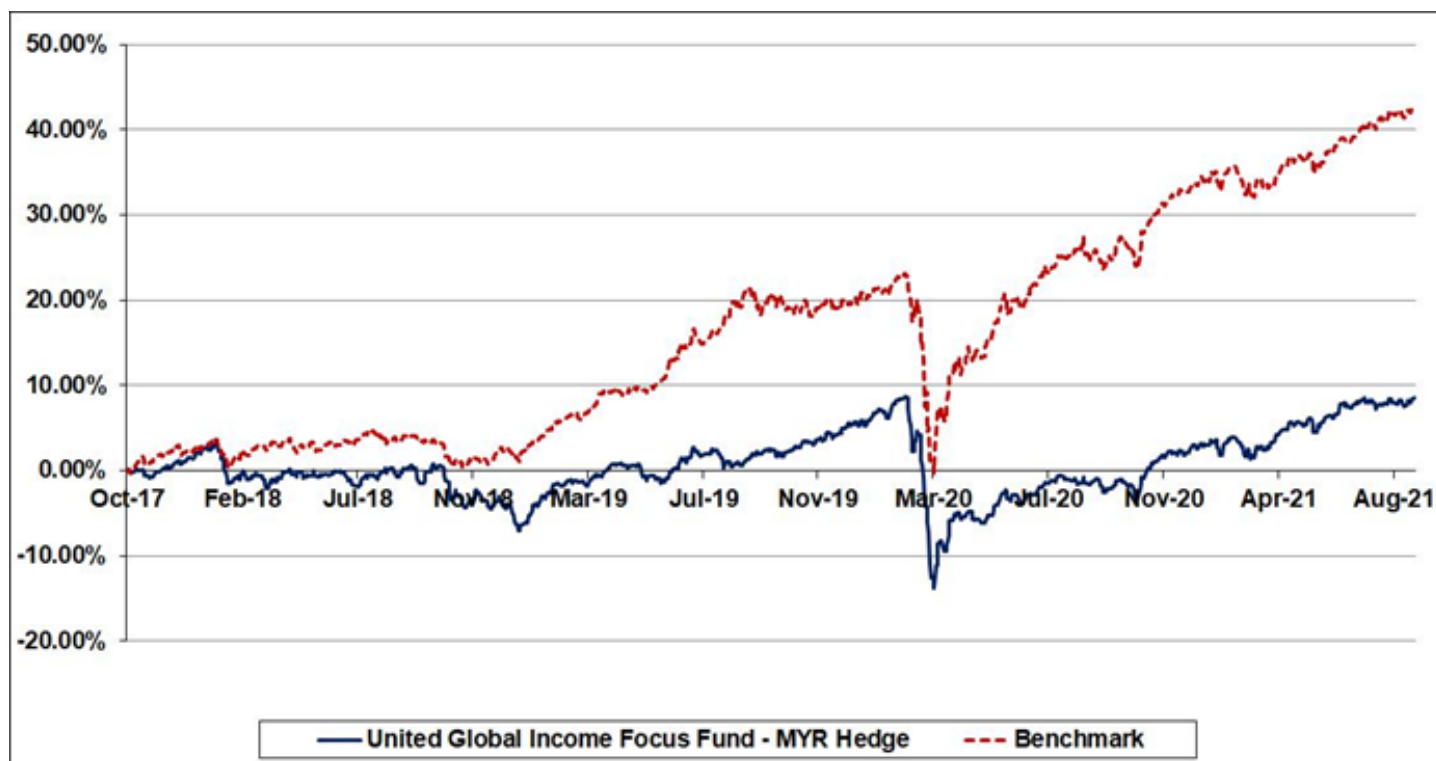
For the period under review, the United Global Income Focus Fund (MYR Hedged Class) registered a return of 10.28%, underperforming the benchmark return of 13.27%.

### FUND PERFORMANCE DATA

As at 31 August 2021

TYPES	1 - MONTH	3 - MONTHS	6 - MONTHS	12 - MONTHS	YTD	SINCE INCEPTION (23 OCTOBER 2017)
United Global Income Focus Fund (MYR Hedged Class)	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
Benchmark	1.01%	3.84%	7.77%	13.27%	6.75%	42.73%

Source: UOBAM(M), as at 31 August 2021



Source: UOBAM(M), as at 31 August 2021

Note: The performance of the Fund is benchmarked against 35% MSCI AC World Index (USD Hedged) + 5%

MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged).

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

<b>UNITED GLOBAL INCOME FOCUS FUND - MYR HEDGED CLASS</b>	<b>AS AT 31 AUGUST 2021</b>
Net Asset Value (USD million)	<b>1.91</b>
Units In Circulation (million)	<b>7.5</b>
Net Asset Value Per Unit (RM)	<b>1.0581</b>
Highest Net Asset Value Per Unit (RM)	<b>1.0581</b>
Lowest Net Asset Value Per Unit (RM)	<b>0.9544</b>

## **UNITED GLOBAL INCOME FOCUS FUND - SGD HEDGED CLASS**

### **FUND PERFORMANCE REVIEW**

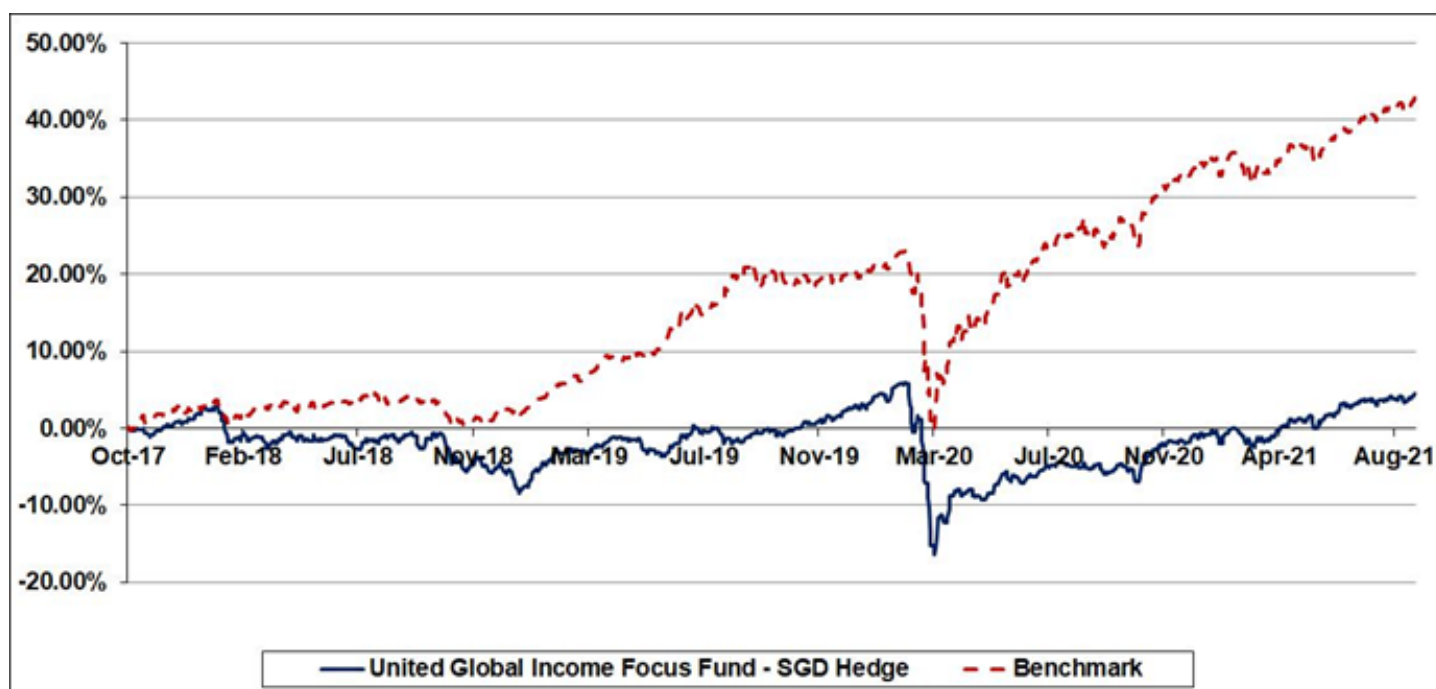
For the period under review, the United Global Income Focus Fund (SGD Hedged Class) registered a return of 10.16%, underperforming the benchmark return of 13.27%.

### **FUND PERFORMANCE DATA**

As at 31 August 2021

<b>TYPES</b>	<b>1 - MONTH</b>	<b>3 - MONTHS</b>	<b>6 - MONTHS</b>	<b>12 - MONTHS</b>	<b>YTD</b>	<b>SINCE INCEPTION (23 OCTOBER 2017)</b>
United Global Income Focus Fund (SGD Hedged Class)	<b>0.74%</b>	<b>2.52%</b>	<b>6.64%</b>	<b>10.16%</b>	<b>5.33%</b>	<b>4.45%</b>
Benchmark	<b>1.01%</b>	<b>3.84%</b>	<b>7.77%</b>	<b>13.27%</b>	<b>6.75%</b>	<b>42.73%</b>

Source: UOBAM(M), as at 31 August 2021



Source: UOBAM(M), as at 31 August 2021

Note: The performance of the Fund is benchmarked against 35% MSCI AC World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged).

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

<b>UNITED GLOBAL INCOME FOCUS FUND - SGD HEDGED CLASS</b>	<b>AS AT 31 AUGUST 2021</b>
Net Asset Value (USD million)	0.51
Units In Circulation (million)	0.66
Net Asset Value Per Unit (SGD)	1.0309
Highest Net Asset Value Per Unit (SGD)	1.0309
Lowest Net Asset Value Per Unit (SGD)	0.9298

## UNITED GLOBAL INCOME FOCUS FUND - USD HEDGED CLASS

### FUND PERFORMANCE REVIEW

For the period under review, the United Global Income Focus Fund (USD Class) registered a return of 10.50%, underperforming the benchmark return of 13.27%.

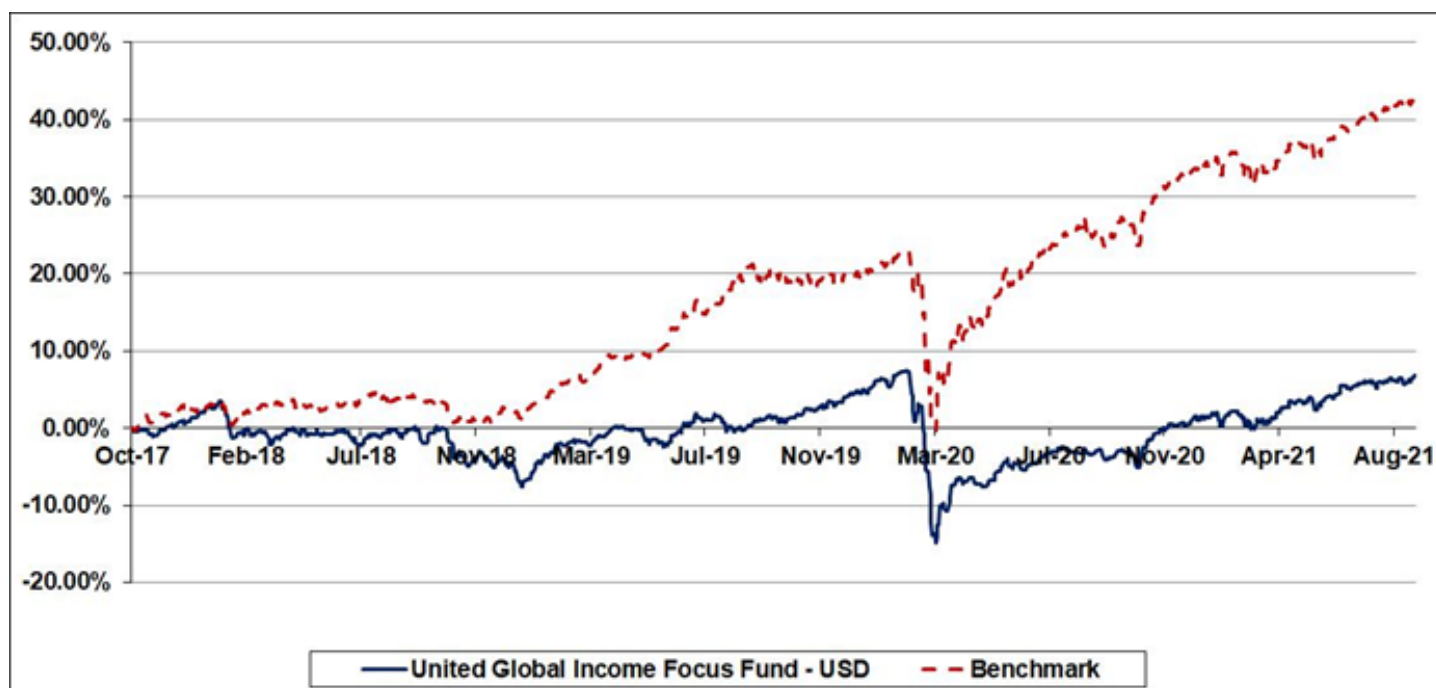
### FUND PERFORMANCE DATA

As at 31 August 2021



	1 - MONTH	3 - MONTHS	6 - MONTHS	12 - MONTHS	YTD	SINCE INCEPTION (23 OCTOBER 2017)
<b>TYPES</b>						
United Global Income Focus Fund (USD Hedged Class)	0.78%	2.55%	6.60%	10.50%	5.30%	6.82%
<b>Benchmark</b>	1.01%	3.84%	7.77%	13.27%	6.75%	42.73%

Source: UOBAM(M), as at 31 August 2021



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<b>UNITED GLOBAL INCOME FOCUS FUND - USD HEDGED CLASS</b>	<b>AS AT 31 AUGUST 2021</b>
Net Asset Value (USD million)	0.38
Units In Circulation (million)	0.37
Net Asset Value Per Unit (USD)	1.0273
Highest Net Asset Value Per Unit (USD)	1.0273
Lowest Net Asset Value Per Unit (USD)	0.9244

#### UNITED GLOBAL INCOME FOCUS FUND - USD HEDGED CLASS

## FUND PERFORMANCE REVIEW

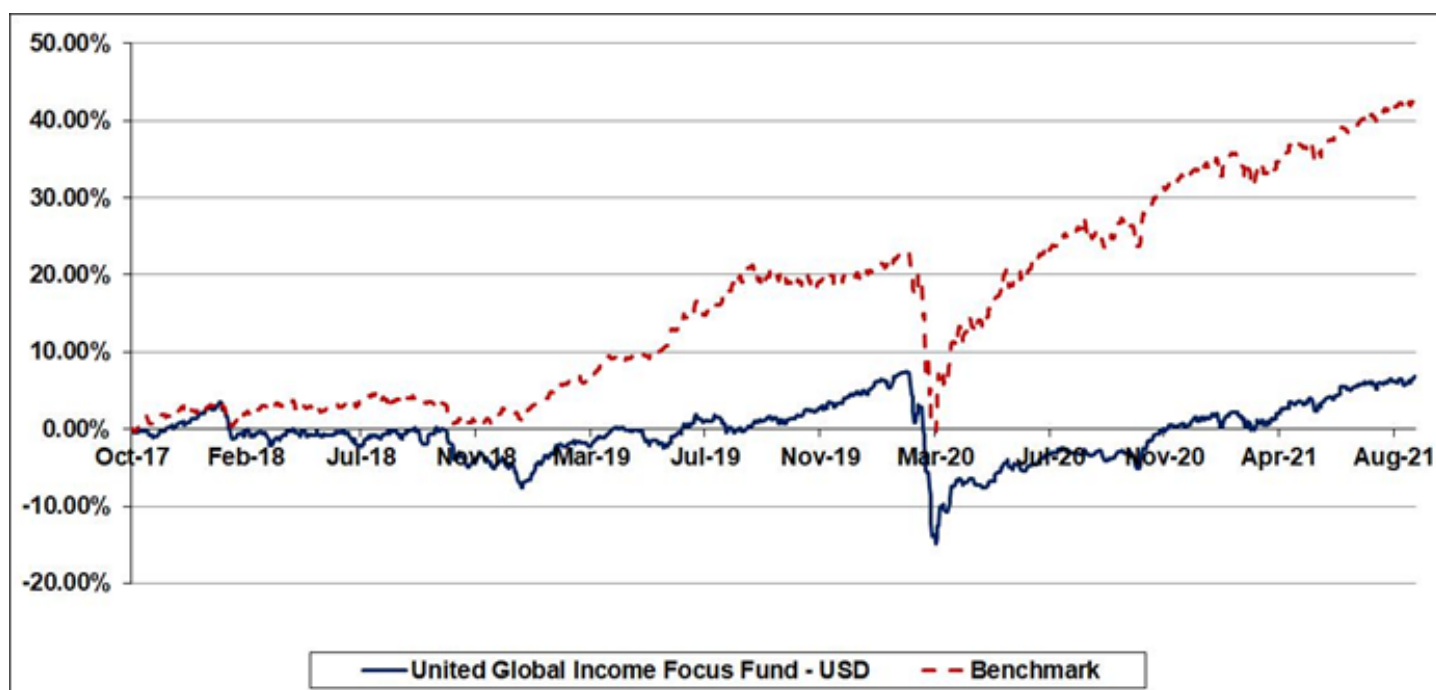
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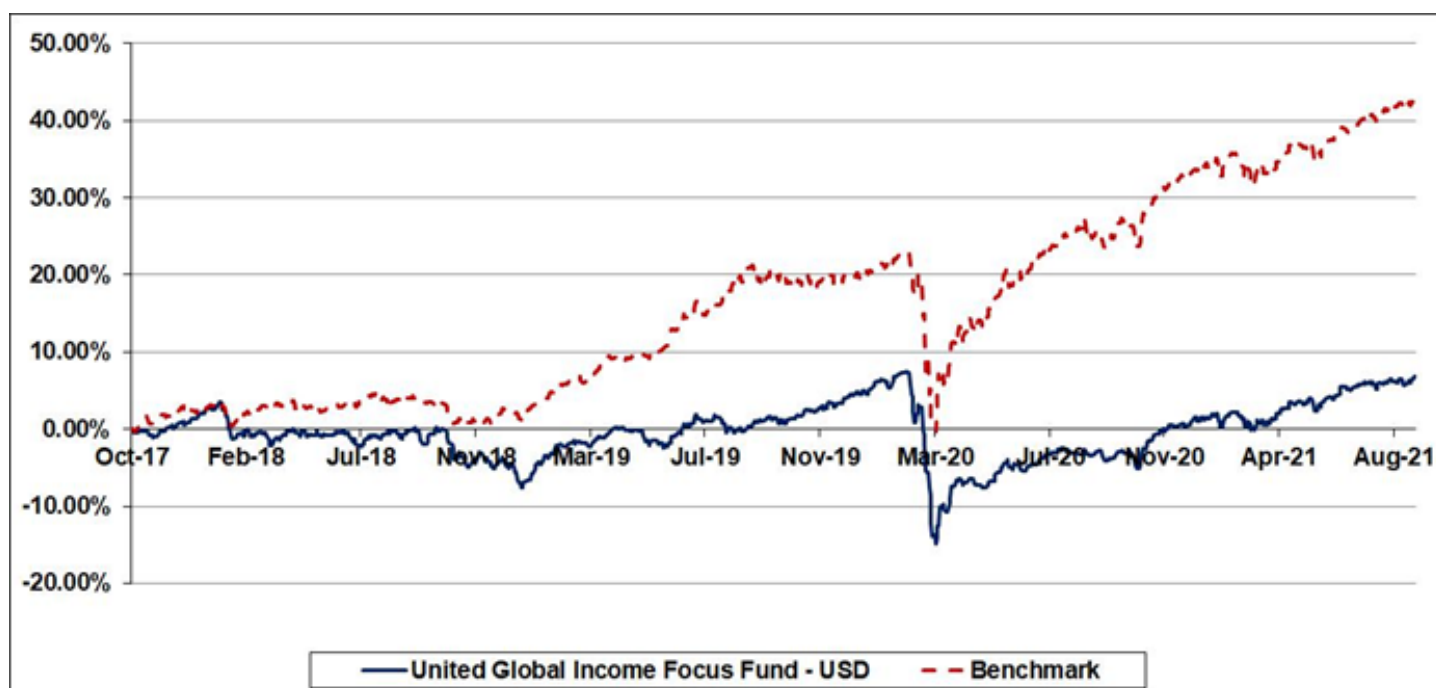
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### FUND PERFORMANCE DATA

As at 31 August 2021

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### **FUND PERFORMANCE REVIEW**

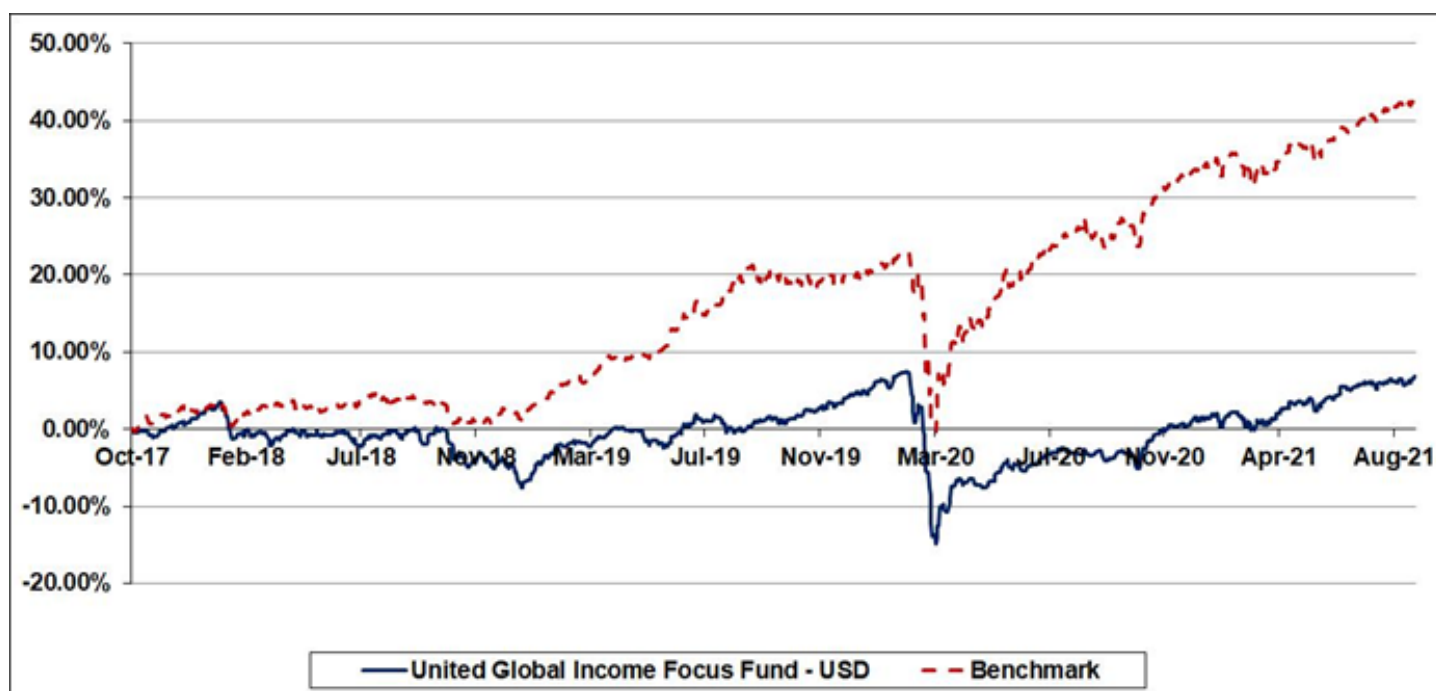
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### **FUND PERFORMANCE DATA**

As at 31 August 2021

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## UNITED GLOBAL INCOME FOCUS FUND (TARGET FUND)

### TARGET FUND PERFORMANCE REVIEW

For the period under review (Sep 2020 - Aug 2021), the Target Fund returned +11.5% (gross, in USD).

Performance was positive across both equities and fixed income but marginally offset by losses from their Active Asset Allocation decisions. Within global equities, gains were driven by their Global Diversified Equity Income allocation, followed by their Opportunistic Equity strategies. Performance was additive across the regions, led by the United States of America ("U.S."), Europe, and the Emerging Markets ("EM") (despite weakness later in the period where EM equities fell broadly amid concerns around Federal Reserve ("Fed") tapering, rising inflation, and global economic growth.). Performance was similarly positive across the sectors, led by the more cyclical sectors (information technology, financials, industrials) which benefitted from the strong growth as markets were bolstered by improving global economic data, fiscal and monetary stimulus,

strong corporate earnings, and higher vaccination rates. Overall performance was slightly offset by losses from their equity hedges earlier in the period. Within global fixed income, gains were driven by their Global Diversified Fixed Income strategy and followed by more modest gains from their Opportunistic Fixed Income allocations. Investment grade credit and high yield credit were the main contributors to performance as credit spreads have tightened and outperformed their duration equivalent treasuries. Their fixed income risk management positions also contributed to returns as their long duration positions benefitted when yields rallied later in the period. Lastly, modest losses from their Active Asset Allocation<sup>1</sup> decisions were largely due to their short U.S. equity exposure and short duration positions later in the period when yields rallied.

Source: UOB Asset Management Ltd

## **TARGET FUND PERFORMANCE DATA**

As at 31 August 2021

						Since 30 November 2015 (annualised)
TYPES	1 m	3 m	6 m	12 m	YTD	
United Income Focus Trust Fund (USD Dist)	0.88%	2.98%	7.61%	11.47%	6.21%	4.57%
Benchmark: 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged).	1.01%	3.84%	7.77%	13.27%	6.75%	8.97%

Source: UOB Asset Management Ltd, as at 31 August 2021

## INVESTMENT POLICY AND STRATEGY EMPLOYED BY THE TARGET FUND

As the coronavirus outbreak unfolded, the Sub-Manager of the Target Fund (i.e. Wellington Management Singapore Pte Ltd) saw unprecedented volatility as markets sold off and the risk management tools within the fund engaged in a timely manner. During the onset of the crisis, their primary focus was to reduce overall fund equity exposure. Coming out of the sell-off, the Sub-Manager have been slowly increasing their risk exposure over time, but still remain defensively positioned due to potential downside risks. Over the last quarter of 2020, the Sub-Manager have made some changes to the fund's equity implementation in an effort to increase the global growth factor footprint of the fund. The Sub-Manager have divested from the Global Income Low Volatility ("GILV") strategy and leaned into their fundamental security selection process within income generating stocks to create a more balanced equity profile.

The Sub-Manager entered 2021 with a stronger risk-on positioning as the Sub-Manager became more optimistic on the global economic recovery. The Sub-Manager were also actively seeking opportunities to rotate exposures within the fund toward higher conviction opportunities, with a focus on leaning into EM and away from strong performing developed market exposures (particularly the U.S. investment grade credit). As a result, the Sub-Manager have increased the fund's EM and Asia footprint via opportunistic allocations. Given large output gaps and low levels of valuations, sentiment, and positioning in these areas, the Sub-Manager thinks a rotation into EM and Asia will be an enduring theme for the rest of the year. Specifically, in March, the Sub-Manager have made an allocation to the Asian Quality Income strategy that seeks dividend compounders/surprisers in Asia where attractive fundamentals, alongside higher growth, lower valuations, and lower debt levels both at the stock and country levels, present great opportunities. The Sub-Manager have also added to the Global Innovation strategy - a high conviction, high active share, and low turnover allocation which aims to identify and benefit from investing in structural winners. The Sub-Manager believes that major opportunities are presenting themselves in areas like automation, connectivity, climate change, financial democratisation, retail and consumer, artificial intelligence, and health care. The Sub-Manager also added the



EM Development strategy in April, a diversified thematic strategy targeted at the sustainable economic development of the EM, investing in the structural drivers of change rather than traditional "old economy" sectors. In June 2021, the Sub-Manager have also evolved their tactical asset allocation strategy, segregating their risk management and active asset allocation decisions to allow for better flexibility and dynamism.

Looking ahead, vaccination progress and policy support make them confident in taking a pro-risk stance, but inflation concerns curb their enthusiasm. The Sub-Manager are moderately bullish on global equities but have slightly tempered the overall pro-cyclical bias of their active positions due to rising inflation and decelerating growth in Developed Markets ("DM"). On a regional basis, the Sub-Manager still have a modest overweight to Europe where economic fundamentals are improving and are optimistic that the German elections may pave the way for stronger fiscal stimulus. The Sub-Manager have reduced their EM view to neutral - the overall position today is reflective of the totality of views with valuations and growth trajectories being the main positives and market reform depth and ongoing challenges on the other side. Within defensive fixed income, the Sub-Manager are moderately bearish on government bonds and will look to manage duration tactically. The Sub-Manager agree with market consensus that the Fed is likely to begin tapering around year end. The Sub-Manager sees the European Central Bank ("ECB") as more hawkish, and the Sub-Manager thinks sovereign rates in Europe are likely to drift upward. As for growth fixed income, the Sub-Manager are moderately bearish on investment grade and high yield credit. The Sub-Manager thinks credit valuations are rich, with most spreads well inside of median levels. That said, default rates continue to decline and demand technicals remain strong. The Sub-Manager are modestly bullish on EM debt as valuations are more attractive on a relative basis.

Finally, the Sub-Manager believes this market environment to be supportive of security selection and active management. Against this back-drop, income investors will be best served through a highly diversified portfolio of multi-asset income producing assets that can be dynamically adjusted as market conditions evolve.

Source: UOB Asset Management Ltd

## PORTFOLIO STRUCTURE

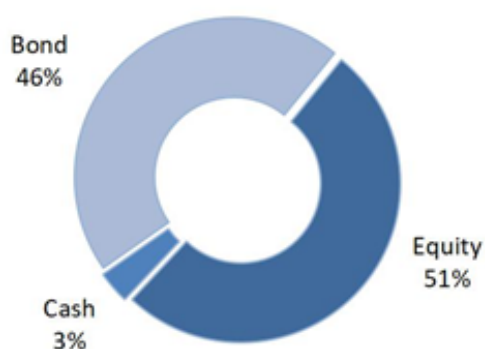
The table below is the asset allocation of the Fund for the financial period under review.

<b>TYPES</b>	<b>AS AT 31 AUGUST 2021 %</b>
Collective investment scheme	98.76
Cash and others	1.24
<b>Total</b>	<b>100</b>

The pie chart below shows the asset allocation of the Target Fund as at 31 August 2021.



## Asset Allocation



Source: UOB Asset Management Ltd

### OTHER MATTER

(a) As at 31 August 2021, there was no subscription of units in MYR Class, AUD Hedged Class and GBP Hedged Class. As such, for the period under review, there was no return for MYR Class, AUD Hedged Class and GBP Hedged Class.

### MARKET REVIEW

In the fourth quarter of 2020, global equities rose for the third straight quarter. Markets rebounded sharply after two COVID-19 vaccines demonstrated high efficacy rates in Phase 3 trials, fueling optimism that the pandemic could be alleviated in the near term. Despite this favourable development, the logistical challenges of distributing and administering the vaccines are significant, and high COVID-19 case counts threaten to undermine the global economic recovery. In the U.S., infections hit record highs, while the government agreed on a pandemic relief plan that will extend many of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act support measures. The ECB expanded its massive monetary stimulus program by 500 billion, as a new lockdown measures weighed on the eurozone's economic recovery. The European Union ("EU") and China struck an agreement on an investment treaty that opens up opportunities for European companies in the Chinese market, while the U.S. government strengthened its recent sanctions on companies with links to the Chinese military. The United Kingdom ("UK") and the EU agreed to a trade deal, setting the terms for a post-Brexit future, and ending four years of political negotiations since the UK's 2016 referendum on EU membership. Global fixed income sectors generated positive returns. Encouraging vaccine developments propelled market confidence despite growing global COVID-19 infections and the UK's formal exit from the EU. Most fixed income spread sectors outperformed as global credit spreads tightened, U.S. presidential elections concluded, and major central banks' adopted policies aimed at mitigating risks. Sovereign yield curves generally steepened outside Europe, with easy central bank policies anchoring front-end yields, while the prospect of additional fiscal stimulus lifted inflation expectations. The U.S. dollar weakened versus most currencies.

In the first quarter of 2021, Global equities rose for the fourth straight quarter. Markets continued to advance amid the accelerating global rollout of vaccines, a favorable outlook for global economic growth, and substantial support from governments and central banks. Massive stimulus measures combined with pent-up savings and significant supply chain disruptions throughout the global economy fueled expectations for higher inflation, leading to concerns that central banks may have to tighten monetary policy to an extent that could impair equity markets. Despite a broadening rollout of vaccines, global coronavirus trends remained volatile, with Europe experiencing a sharp rise in COVID-19 infections, extended lockdowns, and a slow vaccine

rollout. In contrast, vaccinations in the UK accelerated sharply, and U.S. President Joe Biden announced that America is on track to have enough vaccines for every adult by the end of May. The European Parliament approved the Recovery and Resilience Facility, which will provide 672.5 billion in grants and loans to help EU countries to alleviate the social and economic effects of the pandemic, while President Biden signed into law a massive US\$1.9 trillion coronavirus relief bill. Global fixed income sectors generated negative returns. Sovereign yields moved sharply higher on an improving growth outlook and reinforced reflation narrative. Most fixed income spread sectors continued to outperform, with vaccine distribution gathering pace across developed markets and major central banks committing to maintain accommodative policy. Sovereign yield curves generally steepened, as easy central bank policies anchored front-end yields, while additional U.S. fiscal stimulus lifted inflation expectations. The U.S. dollar strengthened versus most currencies.

In the second quarter of 2021, global equities rose for the fifth straight quarter. Markets were bolstered by improving global economic data, fiscal and monetary stimulus, strong corporate earnings, and higher vaccination rates. A combination of surging commodity prices, pent-up demand, global supply-chain disruptions, and stimulus-powered economic growth continued to drive inflation expectations higher, prompting some central banks to raise interest rates or consider tighter monetary policy. The global decline in COVID-19 cases since mid-April came to a halt, with the rapid spread of the highly infectious Delta variant disrupting plans to lift lockdowns in many countries and reopen economies. U.S. Gross Domestic Product ("GDP") grew at an annualized rate of 6.4% in the first quarter, and China's economy expanded by a record 18.3% in the same period compared to a year earlier, as the world's two largest economies continued to rapidly recover from a deep coronavirus-induced trough in early 2020. The U.S. secured the backing of 130 countries for a global minimum tax ("GMT") of at least 15% on corporations, as part of a broader agreement to overhaul international tax rules. The GMT would prevent multinational firms from avoiding taxes by shifting their profits to countries with low tax rates. Global fixed income sectors generated positive returns. Sovereign yield curves generally flattened as central banks signaled a shift toward tighter policy stances in response to rising inflation, leading markets to perceive a lower risk of policymakers falling behind the inflation curve. Most fixed income spread sectors outperformed as vaccination rates increased, economic data strengthened, and credit fundamentals continued to improve. The U.S. dollar ended mixed.

Quarter-to-date (Jul-Aug 2021), global equities rose as markets continued to be bolstered by economy reopening and significant fiscal and monetary support, despite moderating economic growth, risks of more sustainable inflation pressures, and uncertainty about the pandemic's trajectory and economic impact. Mounting inflation forced many emerging market countries to raise interest rates and increased the prospects that other central banks will need to begin curbing their ultra-accommodative monetary policies earlier than expected. In Asia, the spread of the Delta COVID-19 variant shuttered factories and snarled traffic at several major ports, exacerbating supply-chain disruptions and driving shipping costs and goods prices even higher. Research showed that the authorised vaccines offer effective protection against COVID-19 for at least six months, leading many countries to begin discussions about booster programs to deliver additional doses to populations. China unveiled a five-year plan giving framework for stricter regulatory control over the economy and enhanced powers for law enforcement. The government vowed to strengthen legislation to tackle monopolies and tighten controls in areas of strategic importance, including national security, technology, culture, and education. Fixed income sectors posted mixed results versus government bonds as sovereign yields drifted higher. Fading vaccine efficacy amid new COVID-19 restrictions and lurking delta variant reinforced global growth concerns. Global credit bonds slightly outperformed duration-equivalent government bonds. High yield generated positive total returns and outperformed duration equivalent Treasuries buoyed by passage of U.S. infrastructure bill, improving economic data, and relatively dovish comments from the Fed. Within emerging markets, local markets debt underperformed external debt.

*Source: UOB Asset Management Ltd*

## TRUSTEE'S REPORT

### TO THE UNITHOLDERS OF UNITED GLOBAL INCOME FOCUS FUND

We have acted as Trustee for United Global Income Focus Fund (the "Fund") for the financial year ended 31 August 2021. To the best of our knowledge, for the financial year under review, UOB Asset Management (Malaysia) Berhad (the "Manager" ) has operated and managed the Fund in accordance with the following:

(a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;

(b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and

(c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

We are of the view that the distributions made during this financial year ended 31 August 2021 by the Manager are not inconsistent with the objective of the Fund.

For Deutsche Trustees Malaysia Berhad

**SOON LAI CHING**

Senior Manager, Trustee Operations

Kuala Lumpur, Malaysia

13 January 2022

**GERARD ANG**

Chief Executive Officer

## STATEMENT BY MANAGER

We, Lim Suet Ling and Seow Lun Hoo, being two of the Directors of UOB Asset Management (Malaysia) Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 17 to 47 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of United Global Income Focus Fund as at 31 August 2021 and of its financial performance, changes in net asset value and cash flows for the financial year then ended and comply with requirements of the Deed(s).

For and on behalf of the Manager,

**UOB ASSET MANAGEMENT (MALAYSIA) BERHAD**

**LIM SUET LING**

Executive Director / Chief Executive Officer

**SEOW LUN HOO**

Director

Kuala Lumpur, Malaysia

13 January 2022

## **Independent auditors' report to the unitholders of United Global Income Focus Fund**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of United Global Income Focus Fund ("the Fund"), which comprise the statement of financial position as at 31 August 2021, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2021 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

#### *Basis for opinion*

We conducted our audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Information other than the financial statements and auditors' report thereon*

The Manager is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Fund does not cover the other information and

## **Independent auditors' report to the unitholders of United Global Income Focus Fund (continued)**

### *Information other than the financial statements and auditors' report thereon (continued)*

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager of the Fund and take appropriate action.

### *Responsibilities of the Manager and Trustee for the financial statements*

The Manager is responsible for the preparation and fair presentation of the financial statements of the Fund in accordance with MFRS and IFRS. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### *Auditors' responsibilities for the audit of the financial statements*

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

## **Independent auditors' report to the unitholders of United Global Income Focus Fund (continued)**

### *Auditors' responsibilities for the audit of the financial statements (continued)*

As part of an audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund 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.

**Independent auditors' report to the unitholders of  
United Global Income Focus Fund (continued)**

**Other Matters**

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose.  
We do not assume responsibility to any other person for the content of this report.

Ernst & Young  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yeo Beng Yean  
No. 03013/10/2022 J  
Chartered Accountant

Kuala Lumpur, Malaysia

REF



# UNITED GLOBAL INCOME FOCUS FUND

## STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	Note	2021 USD	2020 USD
<b>ASSETS</b>			
Investments	3	2,800,684	7,013,512
Forward foreign currency contracts	4	-	213,363
Amount due from Manager	5	-	171,652
Cash at bank		56,954	338,724
<b>TOTAL ASSETS</b>		<b>2,857,638</b>	<b>7,737,251</b>
<b>LIABILITIES</b>			
Forward foreign currency contracts	4	29,386	-
Amount due to Manager	5	1,230	-
Amount due to Trustee	6	308	364
Accruals		29,036	7,232
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b>59,960</b>	<b>7,596</b>
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS</b>		<b>2,797,678</b>	<b>7,729,655</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders' capital	7	2,856,935	8,271,827
Accumulated losses	7	(59,257)	(542,172)
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>7</b>	<b>2,797,678</b>	<b>7,729,655</b>
<b>TOTAL NAV AND LIABILITIES</b>		<b>2,857,638</b>	<b>7,737,251</b>

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

# UNITED GLOBAL INCOME FOCUS FUND

## STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 AUGUST 2021

	Note	2021 USD	2020 USD
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>			
- MYR HEDGED CLASS		1,909,391	6,419,513
- SGD HEDGED CLASS		507,892	557,501
- USD CLASS		380,395	752,641
		<u>2,797,678</u>	<u>7,729,655</u>
<b>UNITS IN CIRCULATION</b>			
- MYR HEDGED CLASS	7(a)	7,497,842	27,446,038
- SGD HEDGED CLASS	7(b)	662,660	798,617
- USD CLASS	7(c)	370,279	798,257
<b>NET ASSET VALUE PER UNIT IN USD</b>			
- MYR HEDGED CLASS		0.2547	0.2339
- SGD HEDGED CLASS		0.7664	0.6981
- USD CLASS		1.0273	0.9429
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- MYR HEDGED CLASS (MYR)		1.0581	0.9737
- SGD HEDGED CLASS (SGD)		1.0309	0.9490
- USD CLASS (USD)		1.0273	0.9429

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

# UNITED GLOBAL INCOME FOCUS FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	2021 USD	2020 USD
<b>INVESTMENT INCOME</b>			
Interest income from deposits with licensed financial institution		749	3,235
Income distribution from investments at fair value through profit or loss ("FVTPL")		287,460	582,880
Net gain/(loss) on investments at FVTPL:	3		
- net realised loss on sale of investments at FVTPL		(426,994)	(330,180)
- net unrealised gain/(loss) on changes in fair value	7(e)	660,242	(406,863)
Net realised gain/(loss) on forward foreign currency contracts		304,402	(279,003)
Net realised gain on foreign currency exchange		20,020	3,633
Net unrealised (loss)/gain on forward foreign currency contracts	7(e)	(242,749)	453,444
Net unrealised (loss)/gain on foreign currency exchange	7(e)	(582)	86
		<u>602,548</u>	<u>27,232</u>
<b>EXPENSES</b>			
Manager's fee	8	30,763	63,057
Trustee's fee	9	3,687	5,900
Auditors' remuneration		2,246	2,204
Tax agent's fee		942	853
Other expenses		2,306	1,461
		<u>39,944</u>	<u>73,475</u>
<b>NET INCOME/(LOSS) BEFORE DISTRIBUTION AND TAXATION</b>			
		562,604	(46,243)
Distribution to unitholders:			
- MYR HEDGED CLASS		(62,655)	(87,183)
- SGD HEDGED CLASS		(7,781)	-
- USD CLASS		(9,253)	(10,586)
	11	<u>(79,689)</u>	<u>(97,769)</u>
<b>NET INCOME/(LOSS) BEFORE TAXATION</b>			
		482,915	(144,012)

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

**UNITED GLOBAL INCOME FOCUS FUND****STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

	<b>Note</b>	<b>2021 USD</b>	<b>2020 USD</b>
Tax expense	10	!	!
<b>NET INCOME/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>482,915</b>	<b>(144,012)</b>
Net income/(loss) after taxation is made up of the following:			
Realised amount	7(d)	66,004	(190,679)
Unrealised amount	7(e)	416,911	46,667
		<b>482,915</b>	<b>(144,012)</b>

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

# UNITED GLOBAL INCOME FOCUS FUND

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Unitholders' capital USD	Accumulated losses USD	Total net asset value USD
Balance as at 1 September 2019		15,615,053	(398,160)	15,216,893
Movement in net asset value:				
Total comprehensive loss for the financial year		-	(144,012)	(144,012)
Creation of units				
- MYR HEDGED CLASS	7(a)	1,206,902	-	1,206,902
- SGD HEDGED CLASS	7(b)	1,111	-	1,111
- USD CLASS	7(c)	69,468	-	69,468
Reinvestment of units				
- MYR HEDGED CLASS	7(a)	87,183	-	87,183
- USD CLASS	7(c)	10,586	-	10,586
Cancellation of units				
- MYR HEDGED CLASS	7(a)	(6,123,046)	-	(6,123,046)
- SGD HEDGED CLASS	7(b)	(971,237)	-	(971,237)
- USD CLASS	7(c)	(1,624,193)	-	(1,624,193)
Balance as at 31 August 2020		8,271,827	(542,172)	7,729,655
Balance as at 1 September 2020		8,271,827	(542,172)	7,729,655
Movement in net asset value:				
Total comprehensive income for the financial year		-	482,915	482,915
Creation of units				
- MYR HEDGED CLASS	7(a)	1,214,794	-	1,214,794
- USD CLASS	7(c)	10,680	-	10,680
Reinvestment of units				
- MYR HEDGED CLASS	7(a)	62,655	-	62,655
- SGD HEDGED CLASS	7(b)	7,781	-	7,781
- USD CLASS	7(c)	9,253	-	9,253
Cancellation of units				
- MYR HEDGED CLASS	7(a)	(6,172,376)	-	(6,172,376)
- SGD HEDGED CLASS	7(b)	(108,457)	-	(108,457)
- USD CLASS	7(c)	(439,222)	-	(439,222)
Balance as at 31 August 2021		2,856,935	(59,257)	2,797,678

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

**UNITED GLOBAL INCOME FOCUS FUND****STATEMENT OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021**

	<b>2021</b> <b>USD</b>	<b>2020</b> <b>USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	5,044,076	7,191,129
Purchase of investments	(598,000)	-
Income distribution from investments at FVTPL	287,460	582,880
Interest received from deposits with licensed financial institution	749	3,235
Manager's fee paid	(33,607)	(66,546)
Trustee's fee paid	(3,743)	(6,250)
Auditors' remuneration paid	(2,204)	(2,226)
Tax agent's fee paid	(925)	(932)
Payment of other fees and expenses	(2,260)	(1,736)
Net realised gain/(loss) on forward foreign currency contracts	325,643	(279,003)
Net realised gain on foreign currency exchange	20,020	3,633
Net cash generated from operating and investing activities	<u>5,037,209</u>	<u>7,424,184</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,401,076	1,124,959
Payment for cancellation of units	(6,720,055)	(8,720,826)
Net cash used in financing activities	<u>(5,318,979)</u>	<u>(7,595,867)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(281,770)</u>	<u>(171,683)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>338,724</u>	<u>510,407</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>56,954</u>	<u>338,724</u>
Cash and cash equivalents comprises the following:		
Cash at bank	<u>56,954</u>	<u>338,724</u>

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

## UNITED GLOBAL INCOME FOCUS FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. INFORMATION ON THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The United Global Income Focus Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 18 September 2017, as amended by a First Supplemental Deed dated 2 January 2019 (collectively referred to as “the Deeds”), between UOB Asset Management (Malaysia) Berhad (“the Manager”) and Deutsche Trustees Malaysia Berhad (“the Trustee”).

The Fund seeks to provide regular income with a secondary focus on capital appreciation over the medium to long term by investing in the United Income Focus Trust (“Target Fund”) which invests globally in a diverse set of traditional and alternative asset classes. The Fund was launched on 2 October 2017 and commenced for operations on 23 October 2017. As provided in the Master Deed, the accrual period or financial year shall end on 31 August.

The Manager is a subsidiary of UOB Asset Management Limited, headquartered in Singapore.

The financial statements were authorised for issue by the Manager on 29 October 2021.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation of the financial statements

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in United States Dollar (“USD”).

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 September 2020 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on or after 1 September 2021 are applicable to the Fund.

##### 2.2 Changes in accounting policies

###### *Standards issued and effective*

The accounting policies adopted that could have material impact to the financial statements are consistent with those of the previous financial year.

## UNITED GLOBAL INCOME FOCUS FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies

##### (a) Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

##### *Classification*

The Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).



## UNITED GLOBAL INCOME FOCUS FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (a) Financial instruments (continued)

###### *Financial assets*

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss (“FVTPL”) on the basis of both the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### (i) Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. The Fund includes in this category amount due from Manager and

##### (ii) Financial assets at FVTPL

A financial asset is measured at FVTPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category instruments on collective investment scheme and derivatives. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

###### *Financial liabilities*

##### (i) Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund includes in this category derivatives liabilities.

##### (ii) Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVTPL. The Fund includes in this category amount due to Manager and amount due to Trustee.

## UNITED GLOBAL INCOME FOCUS FUND

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (a) Financial instruments (continued)

###### *Impairment of financial assets*

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has applied an approach similar to the simplified approach for expected credit losses (“ECL”) under MFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Fund’s approach to ECL reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

###### *Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when:

- (i) The contractual rights to receive cash flows from the financial asset have expired;
- (ii) The Fund has transferred its contractual rights to receive cash flows from the financial asset or have assumed contractual obligation to pay the received cash flows in full without material delay to one or more third parties under a “pass through” arrangement; and either:
  - (a) the Fund has transferred substantially all the risks and rewards of ownership of the financial asset; or
  - (b) the Fund has neither transferred nor retained substantially all the risks and rewards, but has transferred control of the financial asset.

On derecognition of financial assets at amortised cost, gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

A financial liability is derecognised when the obligation under the financial liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

## **UNITED GLOBAL INCOME FOCUS FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **2.3 Summary of significant accounting policies (continued)**

##### **(b) Classification of realised and unrealised gains and losses**

Unrealised gains and losses comprise changes in the fair value of financial instruments at FVTPL. Realised gains and losses on disposals of financial instruments at FVTPL are calculated using weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Return on investments, distribution from foreign collective investment scheme, foreign exchange translation differences of cash at bank balances denominated in foreign currencies and accrued interest on deposits which have not matured as at the reporting date are classified as realised income in the financial statements.

##### **(c) Derivative financial instruments**

Derivatives are financial assets or liabilities at FVTPL categorised as held for trading unless they are designated hedges.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy on FVTPL.

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

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in USD, which is also the Fund's functional currency.

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

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into USD at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in the profit or loss.

## **UNITED GLOBAL INCOME FOCUS FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **2.3 Summary of significant accounting policies (continued)**

##### **(f) Unitholders' capital**

The unitholders' capital to the Fund are classified as liabilities under MFRS 132 *Financial Instruments: Presentation*.

The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

##### **(g) Distribution of income**

Any distribution to the Fund's unitholders is accounted for as a deduction in profit or loss and recognised in the statement of comprehensive income, as the unitholders' capital are classified as financial liabilities as per Note 2.3(f). A proposed dividend is recognised as a liability in the period in which it is approved. Distributions are either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date which is also the time

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

Cash and cash equivalents comprise cash at bank which have an insignificant risk of changes in value.

##### **(i) Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Interest income from deposits with a licensed financial institution is recognised using the effective interest method. Distribution income from investments is recognised when it is declared and the right of receipt is established.

##### **(j) Net asset value attributable to unitholders**

Net asset value attributable to unitholders represents the redemption amount that would be payable if the unitholders exercised the right to redeem units of the Fund at the end of the reporting year.

## **UNITED GLOBAL INCOME FOCUS FUND**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **2.3 Summary of significant accounting policies (continued)**

##### **(k) Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

No deferred tax is recognised as there are no material temporary differences.

##### **(l) Segment reporting**

For internal management reporting purposes, all of the investments of the Fund are managed as one portfolio and reviewed as such by the Manager. The Manager is the decision maker for performance assessment purposes and makes decisions about resource allocation. Accordingly, the Fund does not have any operating segment information to be disclosed in the financial statements.

##### **(m) Significant accounting estimates and judgments**

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgments have been made by the Manager in applying the Fund's accounting policies and in making accounting estimates. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## UNITED GLOBAL INCOME FOCUS FUND

### 3. INVESTMENTS

	2021 USD	2020 USD
Investments carried as FVTPL:		
- foreign collective investment scheme	2,800,684	7,013,512
	2021 USD	2020 USD
Net gain/(loss) on investments at FVTPL comprised:		
- net realised loss on sale of investments at FVTPL	(426,994)	(330,180)
- net unrealised gain/(loss) on changes in fair value	660,242	(406,863)
	233,248	(737,043)

Investments designated as FVTPL as at 31 August 2021 are as follows:

Name of counter	Quantity	Cost USD	Fair value USD	Fair value as at expressed as a percentage of value of the fund %
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#### COLLECTIVE INVESTMENT SCHEME - FOREIGN

United Income Focus Trust - USD Distribution Class* ("Target Fund")	2,896,260	2,932,564	2,800,684	100.11
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\* Collective Investment Scheme related to the Manager.

#### SHORTFALL OF FAIR VALUE OVER COST:

- UNREALISED FAIR VALUE LOSS	(131,880)
<b>TOTAL INVESTMENTS AT FVTPL</b>	<b>2,800,684</b>

## UNITED GLOBAL INCOME FOCUS FUND

### 4. FORWARD FOREIGN CURRENCY CONTRACTS

As at the reporting date, there are 6 (2020: 4) forward foreign currency contracts outstanding.

The notional principal amount of the outstanding forward foreign currency contracts amounted to USD4,979,543 (2020: USD6,782,900).

The forward foreign currency contracts entered into were for hedging against the currency exposure arising from the subscriptions in other classes denominated in MYR and SGD (2020: MYR and SGD).

As the Fund has not adopted hedge accounting, the change in fair value of the forward foreign currency contract is recognised immediately in the profit or loss.

### 5. AMOUNT DUE (TO)/FROM MANAGER

	2021 USD	2020 USD
Creation of units	-	175,725
Manager's fee payable	(1,230)	(4,073)
	<u>(1,230)</u>	<u>171,652</u>

The normal credit period for the Manager's fee payable is one month (2020: one month).

### 6. AMOUNT DUE TO TRUSTEE

	2021 USD	2020 USD
Trustee's fee payable	<u>308</u>	<u>364</u>

Amount due to Trustee represents Trustee's fee payable.

The normal credit period for the Trustee's fee payable is one month (2020: one month).

## UNITED GLOBAL INCOME FOCUS FUND

### 7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS

Unitholders should note that the NAV of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at a particular valuation point.

The NAV per Unit of a Class of Units is the NAV of the Fund attributable to a Class of Units divided by the number of units in circulation for that particular Class of Units, at the same valuation point. The valuation of the Fund will be carried out in the base currency (USD). Accordingly, all assets that are not denominated in USD will be translated to USD for valuation purposes. The foreign exchange rates used for this purpose shall be the bid foreign exchange rates quoted by Reuters or other reputable information service providers at 4.00 p.m. United Kingdom time as at the valuation point of the Fund or such rate or method as may be prescribed under the relevant laws from time to time.

Due to multiple Classes of Units in the Fund, the indirect fees and/or charges for the Fund are apportioned by using the multi-class ratio, which is based on the value of the Class of Units of the Fund (quoted in the base currency) relative to the value of the whole Fund (quoted in the base currency). As at 31 August 2021, the multi-class ratio used in apportionment for MYR Hedged Class is 68.24 (2020: 83.05), SGD Hedged Class is 18.17 (2020: 7.21) and USD Class is 13.59 (2020: 9.74).

Net asset value attributable to unitholders is represented by:

	Note	2021 USD	2020 USD
Unitholders’ capital			
- MYR HEDGED CLASS	(a)	1,952,759	6,847,687
- SGD HEDGED CLASS	(b)	507,164	607,840
- USD CLASS	(c)	397,012	816,300
		<u>2,856,935</u>	<u>8,271,827</u>
Accumulated losses			
- Realised gain	(d)	102,470	36,466
- Unrealised loss	(e)	(161,727)	(578,638)
		<u>(59,257)</u>	<u>(542,172)</u>
Total NAV attributable to unitholders		<u>2,797,678</u>	<u>7,729,655</u>



## UNITED GLOBAL INCOME FOCUS FUND

### 7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

#### (a) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - MYR HEDGED CLASS

	Units	2021 USD	Units	2020 USD
At the beginning of the financial year	27,446,038	6,847,687	47,308,478	11,676,648
Creation of units during the financial year	5,134,364	1,214,793	4,926,252	1,206,902
Reinvestment for the financial year	250,804	62,655	408,241	87,183
Cancellation of units during the financial year	(25,333,364)	(6,172,376)	(25,196,933)	(6,123,046)
At the end of the financial year	<u>7,497,842</u>	<u>1,952,759</u>	<u>27,446,038</u>	<u>6,847,687</u>

The Manager and parties related to the Manager did not hold any units in the class of the Fund as at 31 August 2021 (2020: Nil).

#### (b) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - SGD HEDGED CLASS

	Units	2021 USD	Units	2020 USD
At the beginning of the financial year	798,617	607,840	2,105,564	1,577,966
Creation of units during the financial year	-	-	1,587	1,111
Reinvestment for the financial year	10,506	7,781	-	-
Cancellation of units during the financial year	(146,463)	(108,457)	(1,308,534)	(971,237)
At the end of the financial year	<u>662,660</u>	<u>507,164</u>	<u>798,617</u>	<u>607,840</u>

The Manager and parties related to the Manager did not hold any units in the class of the Fund as at 31 August 2021 (2020: Nil).

## UNITED GLOBAL INCOME FOCUS FUND

### 7. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

#### (c) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - USD CLASS

	Units	2021 USD	Units	2020 USD
At the beginning of the financial year	798,257	816,300	2,343,581	2,360,439
Creation of units during the financial year	11,195	10,680	70,185	69,468
Reinvestment for the financial year	9,435	9,253	11,706	10,586
Cancellation of units during the financial year	(448,608)	(439,221)	(1,627,215)	(1,624,193)
At the end of the financial year	370,279	397,012	798,257	816,300

The Manager and parties related to the Manager did not hold any units in the class of the Fund as at 31 August 2021 (2020: Nil).

#### (d) RETAINED EARNING - REALISED

	2021 USD	2020 USD
At the beginning of the financial year	36,466	227,145
Total comprehensive income/(loss) for the financial year	482,915	(144,012)
Net unrealised gain attributable to investments and others held transferred to unrealised reserve	(416,911)	(46,667)
Net increase/(decrease) in realised reserve for the financial year	66,004	(190,679)
At the end of the financial year	102,470	36,466

#### (e) ACCUMULATED LOSS - UNREALISED

	2021 USD	2020 USD
At the beginning of the financial year	(578,638)	(625,305)
Net unrealised gain attributable to investments and others held transferred to unrealised reserve:		
- Investments at FVTPL	660,242	(406,863)
- Forward foreign currency contracts	(242,749)	453,444
- Foreign currency exchange	(582)	86
	416,911	46,667
At the end of the financial year	(161,727)	(578,638)

## **UNITED GLOBAL INCOME FOCUS FUND**

### **8. MANAGER'S FEE**

Schedule 8 of the Deed provides that the Manager shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 2.00% (2020: 2.00%) per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 1.80% (2020: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

As the Fund is investing in the Target Fund, the Target Fund Manager's fee is charged at 1.25% (2020: 1.25%) per annum of the net asset value of the Target Fund. There will be no double charging of annual management fee.

There will be no further liability to the Manager in respect of Manager's fee other than the amount recognised in the financial statements.

### **9. TRUSTEE'S FEE**

Schedule 9 of the Deed provides that the Trustee shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 0.20% (2020: 0.20%) per annum of the net asset value of the Fund, calculated on a daily basis; subject to a minimum fee of RM15,000 (2020: RM15,000) per annum (excluding foreign custodian fees and charges).

The Trustee's fee provided in the financial statements is 0.06% (2020: 0.06%) per annum based on the net asset value of the Fund, subject to a minimum fee of RM15,000 (2020: RM15,000) per annum (excluding foreign custodian fees and charges), calculated on a daily basis for the financial year.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised in the financial statements.

### **10. INCOME TAX EXPENSE**

Income from deposit placements is exempted from tax in accordance with Schedule 6 Paragraph 35A of the Income Tax Act, 1967 ( "ITA " ), subject to certain exclusion. Distribution income derived from sources outside Malaysia and received in Malaysia is exempted from tax in accordance with Schedule 6, Paragraph 28 of the ITA. Pursuant to Section 61(1)(b) of the ITA, gains from realisation of investment will not be treated as income of the Fund and hence are not subject to income tax.

## UNITED GLOBAL INCOME FOCUS FUND

### 10. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to net income/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2021 USD	2020 USD
Net income/(loss) before taxation	482,915	(144,012)
Taxation at Malaysian statutory rate of 24% (2020: 24%)	115,900	(34,563)
Tax effects of:		
Income not subject to tax	(305,490)	(249,515)
Loss not deductible for tax purposes	160,878	242,979
Restriction on tax deductible expenses for funds	7,922	15,663
Expenses not deductible for tax purposes	20,790	25,436
Tax expense for the financial year		

### 11. DISTRIBUTIONS

Distribution to unitholders is from the following sources:

	2021 USD	2020 USD
Previous financial year's realised income	36,466	171,244
Income distribution from investments at FVTPL	128,784	-
Interest income	336	-
Net realised loss on sale of investments at FVTPL	(191,297)	-
Net realised gain on foreign currency exchange	8,969	-
Net realised gain on forward foreign currency contracts	136,375	-
	119,633	171,244
Less:		
Expenses	(39,944)	(73,475)
Net distributable amount	79,689	97,769

## UNITED GLOBAL INCOME FOCUS FUND

### 11. DISTRIBUTIONS (CONTINUED)

Details of distributions to unitholders during the financial year ended 31 August 2021 are as follows:

Distribution Ex-date	Reinvestment settlement date	Distribution per unit USD	Total distribution USD
<u>USD CLASS</u>			
25.01.2021	26.01.2021	0.0130	9,253

Distribution Ex-date	Reinvestment settlement date	Distribution per unit SGD	Total distribution SGD	Total distribution USD
<u>SGD CLASS</u>				
25.01.2021	26.01.2021	0.0130	10,338	7,781

Distribution Ex-date	Reinvestment settlement date	Distribution per unit RM	Total distribution RM	Total distribution USD
<u>MYR CLASS</u>				
25.01.2021	26.01.2021	0.0134	253,313	62,655

Details of distributions to unitholders during the financial year ended 31 August 2020 are as follows:

Distribution Ex-date	Reinvestment settlement date	Distribution per unit USD	Total distribution USD
<u>USD CLASS</u>			
22.04.2020	23.04.2020	0.0113	10,586

Distribution Ex-date	Reinvestment settlement date	Distribution per unit RM	Total distribution RM	Total distribution USD
<u>MYR CLASS</u>				
22.04.2020	23.04.2020	0.0027	380,032	87,183

## UNITED GLOBAL INCOME FOCUS FUND

### 12. TRANSACTIONS WITH INVESTMENT MANAGER OF THE TARGET FUND

Details of transactions with Investment Manager of the Target Fund for the financial year ended 31 August 2021 are as follows:

	Value of trade USD	Percentage of total trade %
<b>Investment Manager of the Target Fund</b>		
UOB Asset Management Ltd, Singapore*	5,642,076	100.00

\* A company related to the Manager.

The directors of the Manager are of the opinion that any transactions with related party have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with related party have been transacted at arm's length basis.

### 13. MANAGEMENT EXPENSE RATIO ("MER")

	2021 %	2020 %
Manager's fee*	0.60	0.59
Trustee's fee	0.07	0.06
Other expenses	0.11	0.04
Total MER	0.78	0.69

\* *Manager's fee net of Target Fund's management fee*

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

### 14. PORTFOLIO TURNOVER RATIO ("PTR")

	2021	2020
PTR (times)	0.55	0.34

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial period to the average NAV of the Fund calculated on a daily basis.

## UNITED GLOBAL INCOME FOCUS FUND

### 15. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis based on their respective classification. The significant accounting policies in Note 2.3 describe how the classes of financial instruments are measured, and how income and expenses are recognised:

- (i) the Fund's investments, comprising foreign collective investment scheme, are classified as financial assets at FVTPL which are measured at fair value;
- (ii) the Fund's financial assets, comprising amount due from Manager and cash at bank are classified as other financial assets which are measured at amortised cost;
- (iii) the Fund's financial liabilities (excluding NAV attributable to unitholders), comprising amount due to Manager and amount due to Trustee, is classified as other financial liabilities which is measured at amortised cost;
- (iv) the Fund's forward foreign currency contracts are derivatives which are measured at FVTPL; and
- (v) the Fund's NAV attributable to unitholders are carried in the financial statements based on the residual value of the net assets of the Fund.

	Financial assets at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Derivatives at FVTPL USD	Total USD
<b>2021</b>					
<b>Financial assets</b>					
Investments	2,800,684	-	-	-	2,800,684
Cash at bank	-	56,954	-	-	56,954
<b>Total financial assets</b>	<b>2,800,684</b>	<b>56,954</b>	<b>-</b>	<b>-</b>	<b>2,857,638</b>

# UNITED GLOBAL INCOME FOCUS FUND

## 15. FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Classification of financial instruments (continued)

	Financial assets at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Derivatives at FVTPL USD	Total USD
<b>2021 (continued)</b>					
<b>Financial liabilities</b>					
Foreign forward currency contracts	-	-	-	29,386	29,386
Amount due to Manager	-	-	1,230	-	1,230
Amount due to Trustee	-	-	308	-	308
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,538</b>	<b>29,386</b>	<b>30,924</b>
<b>2020</b>					
<b>Financial assets</b>					
Investments	7,013,512	-	-	-	7,013,512
Foreign forward currency contracts	-	-	-	213,363	213,363
Amount due from Manager	-	171,652	-	-	171,652
Cash at bank	-	338,724	-	-	338,724
<b>Total financial assets</b>	<b>7,013,512</b>	<b>510,376</b>	<b>-</b>	<b>213,363</b>	<b>7,737,251</b>
<b>Financial liabilities</b>					
Amount due to Trustee	-	-	364	-	364
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>364</b>	<b>-</b>	<b>364</b>



## UNITED GLOBAL INCOME FOCUS FUND

### 15. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial instruments that are carried at fair value

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>2021</b>				
<b>Financial instruments</b>				
Foreign collective investment scheme	-	2,800,684	-	2,800,684
Foreign forward currency contracts	-	(29,386)	-	(29,386)
	-	2,771,298	-	2,771,298
<b>2020</b>				
<b>Financial instruments</b>				
Foreign collective investment scheme	-	7,013,512	-	7,013,512
Foreign forward currency contracts	-	213,363	-	213,363
	-	7,226,875	-	7,226,875

## UNITED GLOBAL INCOME FOCUS FUND

### 15. FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Cash at bank
- Amount due (to)/from Manager
- Amount due to Trustee
- NAV attributable to unitholders

There were no financial instruments which are not carried at fair values and whose carrying amounts are not reasonable approximation of their respective fair values.

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk, non-compliance risk, passive strategy risk, currency risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

#### (a) Market risk

Market risk refers to potential losses that may arise from changes in the market conditions which in turn affect the market prices of the investments of the Fund. Market conditions are generally affected by, amongst others, social environment, political and economic stability.

## UNITED GLOBAL INCOME FOCUS FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

The Fund's overall exposure to market risk was as follows:

	2021 USD	2020 USD
Investments at FVTPL	2,800,684	7,013,512

The table below summarises the sensitivity of the Fund's net asset value and net income after taxation to movements in prices of investments. The analysis is based on the assumption that the price of the investments fluctuates by 5% with all other variables held constant.

	Change in price of investments %	Market value USD	Impact on net income after taxation and net asset value USD
2021			
	-5	2,660,650	(140,034)
	0	2,800,684	-
	5	2,940,718	140,034
2020			
	-5	6,662,836	(350,676)
	0	7,013,512	-
	5	7,364,188	350,676

#### (b) Non-compliance risk

Non-adherence with laws, rules, regulations, prescribed practices, internal policies and procedures may result in tarnished reputation, limited business opportunities and reduced expansion potential for the Manager. Investment goals may also be affected should the Manager not adhere to the investment mandate (such as the Fund's investment objective and investment policy and strategy). The non-adherence may be the outcome from human error (for instance the oversight of the Manager) or system failure (causing unnecessary downtime). The magnitude of such risk and its impact on the Fund and/or unitholders are dependent on the nature and severity of the non-compliance. In order to mitigate this risk, the Manager has stringent internal controls and ensures that compliance monitoring processes are undertaken.

## UNITED GLOBAL INCOME FOCUS FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Passive strategy risk

The Fund adopts a passive strategy of investing a minimum of 90% of its NAV into the Target Fund at all times. This passive strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's net asset value declines. All investment decisions on the Target Fund are left with the Target Fund's Investment Manager.

#### (d) Currency risk

This risk is associated with investments denominated in currencies different from the base currency. As the Fund is denominated in USD, investments in other currencies other than USD will cause the Fund to be exposed to currency risks. Fluctuations in the exchange rates of other currencies against the USD may affect the NAV of the Fund and consequently the NAV per unit of the Fund.

##### For the MYR hedged Class and SGD hedged Class

Investors in the MYR hedged Class and SGD hedged Class are subject to minimal currency risk as the Manager will as much as practicable mitigate this risk by hedging these currencies against the Base Currency of the Fund. Investors should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when USD moves favourably against these currencies. Additional transaction costs of hedging will also be borne by investors in these Class(es) of Units.

##### For the USD Class

As the USD Class is denominated in the same currency as the Base Currency of the Fund, hence investors in the USD Class should not be subjected to any currency risk at the Class level. However, Sophisticated Investors who intend to invest in the USD Class should be aware that as there are other hedge Class(es) of Units which will be offered for sales, any unrealised gain or loss on the currency forward for those hedged Class(es) of Units will have an impact on the Fund when calculating the fees and charges of the Fund, and consequently it will affect the NAV of the Class as well as the NAV per Unit of the Class.

## UNITED GLOBAL INCOME FOCUS FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Currency risk (continued)

The following table sets out the foreign currency risk concentrations of the Fund.

	2021 USD	2020 USD
<b>MYR</b>		
Amount due from Manager	-	175,725
Cash at bank	5,151	276,565
Forward foreign currency contracts	(22,653)	199,883
Other payable	(21,702)	-
	<u>(39,204)</u>	<u>652,173</u>
<b>SGD</b>		
Cash at bank	15,015	3,227
Forward foreign currency contracts	(6,734)	13,479
	<u>8,281</u>	<u>16,706</u>

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remaining constant. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

	Change in foreign exchange rate %	Impact on net income after taxation and net asset value USD
<b>2021</b>		
<b>MYR</b>	+5	(1,960)
	-5	1,960
<b>SGD</b>	+5	414
	-5	(414)
<b>2020</b>		
<b>MYR</b>	+5	32,609
	-5	(32,609)
<b>SGD</b>	+5	835
	-5	(835)

## UNITED GLOBAL INCOME FOCUS FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (e) Liquidity risk

In the event of unexpectedly large realisations of units, there may be a possibility that the assets of the Target Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Investment Manager of the Target Fund will ensure that a sufficient portion of the Target Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.

Investments by the Target Fund may be listed in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and lack of liquidity which are inherent characteristics of these markets. As such, the Target Fund will be exposed to liquidity risk when the Target Fund is invested in these markets.

The natures of undiscounted contractual cash flows for financial assets of the Fund are:

- (i) The investments have no maturity period; and
- (ii) Other financial assets and financial liabilities will contractually mature less than one year from the reporting date at amounts not significantly different from that presented on the statement of financial position.

### 17. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's units in issue at the end of the financial year are disclosed in Notes 7(a) to (c).

No changes were made to the Fund's objectives, policies or processes during the current and previous financial year.

## UNITED GLOBAL INCOME FOCUS FUND

### 18. RECLASSIFICATION OF COMPARATIVES

Unitholders' capital to the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation*. In the previous financial year, unitholders' contribution were classified as equity.

This reclassification of unitholders' capital (and their retained earnings) did not give rise to any impact on the Net Asset Value Attributable to Unitholders of the Fund.

No restatements were made to the comparative financial statements except for the following:

	As previously disclosed USD	Reclassification USD	As restated USD
<b>Statement of Comprehensive Income</b>			
<b>for the financial year ended 31 August 2020:</b>			
Net loss before distribution and taxation	(46,243)	-	(46,243)
Distribution to unitholders	-	(97,769)	(97,769)
Net loss before taxation	(46,243)	(97,769)	(144,012)
Net loss after taxation, representing total comprehensive loss for the financial year	(46,243)	(97,769)	(144,012)
<b>Statement of Changes in Net Assets Attributable</b>			
<b>To Unitholders for the financial year ended</b>			
<b>31 August 2020:</b>			
Movement in net asset value:			
Total comprehensive loss for the financial year	(46,243)	(97,769)	(144,012)
Distributions	(97,769)	97,769	-

## CORPORATE INFORMATION

Manager	UOB Asset Management (Malaysia) Berhad 199101009166(219478-X)
Registered & Principal Office	Level 22, Vista Tower The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur  Tel: 03-2732 1181 Fax: 03-2164 8188  Website: www.uobam.com.my
Board of Directors	Mr Wong Kim Choong Mr Thio Boon Kiat (alternate to Mr Wong Kim Choong) Mr Seow Lun Hoo Mr Seow Voon Ping (alternate to Mr Seow Lun Hoo) Mr Wong Yoke Leong Mr Lim Kheng Swee En Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
Trustee	Deutsche Trustees Malaysia Berhad 200701005591 (763590-H)
Auditor of the Fund	Ernst & Young
Tax Advisers of the Fund	Deloitte Tax Services Sdn Bhd
Investment Manager of the Target Fund	UOB Asset Management Ltd, Singapore
Sub-Manager of the Target Fund	Wellington Management Singapore Pte Ltd