



# United Cash Fund

**Quarterly Report  
30 November 2018**



# UNITED CASH FUND

## GENERAL INFORMATION ABOUT THE FUND

### Commencement Date

United Cash Fund (“Fund”) was launched on 21 October 2010 and the initial offer period was 21 days, up to 10 November 2010. The Fund commenced investment on 11 November 2010.

### Fund Category and Type

Fund Category - Money Market Fund

Fund Type - Income Fund

### Investment Objective and Strategy

#### Objective of the Fund

This Fund aims to provide investors with capital preservation, liquidity and reasonable returns by investing its assets in Malaysian Ringgit deposits with a remaining maturity of not more than 366 days with United Overseas Bank (Malaysia) Bhd (“UOBM”).

#### Strategy

The Fund will invest in a portfolio of Malaysian Ringgit deposits with a remaining maturity of not more than 366 days with UOBM.

A portfolio of money market deposits and fixed deposits with different maturity profiles will be constructed to meet the Fund’s liquidity requirement while maximizing portfolio returns. The Fund Manager (i.e. UOB Asset Management (Malaysia) Berhad) will place short dated deposits with UOBM for liquidity management purposes while extending the tenor of the Fund’s investment in bank deposits for better yield pick-up.

However, in the event that the Fund Manager is not able to place the Fund’s assets with UOBM immediately, such assets may be held in cash account(s) with licensed financial institution(s) until a placement can be made.

#### Asset Allocation

100% of the Fund’s Net Asset Value (“NAV”) in Malaysian Ringgit deposits with a remaining maturity of not more than 366 days with UOBM.

#### Performance Benchmark

Malayan Banking Berhad – Basic Savings Account Rate

### Permitted Investments and Restrictions

Malaysian Ringgit deposits with a remaining maturity period of not more than 366 days with UOBM.

### Fund Distribution Policy

Distribution, if any, will be made monthly on best effort basis. However, the Fund Manager may make distributions at such other frequency at its sole discretion.

### Distribution Mode

Distribution will be automatically reinvested into the unit holder(s)' accounts in the form of units.

Such reinvestment will be made on the first business day immediately following the distribution date. The number of units will be computed based on the NAV per unit on the distribution date.

## **MANAGER'S REPORT – UNITED CASH FUND QUARTERLY REPORT (1 SEPTEMBER 2018 – 30 NOVEMBER 2018)**

### ***Market Review***

Money market rates traded flat across the board during the period under review. Local government bond yields rose post Budget 2019 amid concerns over higher budget deficit projections and declining crude oil prices. However, market sentiment improved towards the end of November following dovish comments from the United States of America ("U.S.") Federal Reserve ("Fed") Chairman.

In Budget 2019, the Ministry of Finance has revised the 2018 fiscal deficit to 3.7% of Gross Domestic Product ("GDP") from the original forecast of 2.8% as the government recognized additional tax refunds owed, off-budget commitments, and supplementary expenditure. Fiscal deficit is expected to narrow to 3.4% in 2019, 3.0% in 2020 and 2.8% by 2021.

The Malaysian economy moderated to 4.4% in 3Q2018 from 4.5% in 2Q2018 due to production constraints in the commodity sectors. Private sector activity continued to be the primary driver of growth with private consumption expanded by 9.0% supported by sustained income growth and lift from tax holiday. Going forward, the government expects the economy to growth at a slightly stronger pace of 4.9% in 2019 from a revised 4.8% growth in 2018. Meanwhile, headline inflation is expected to trend higher to 2.5-3.5% in 2019 from 1.5-2.5% in 2018.

Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") unchanged at 3.25% at its monetary policy meetings in September and November as widely expected. The central bank views the current degree of monetary accommodativeness to be consistent with its policy stance.

At the end of the period, the overnight, 1-month, 3-month, 6-month and 12-month rates last quoted at 3.23%, 3.41%, 3.67%, 3.78% and 3.88% respectively.

*Source: UOBAM(M)*

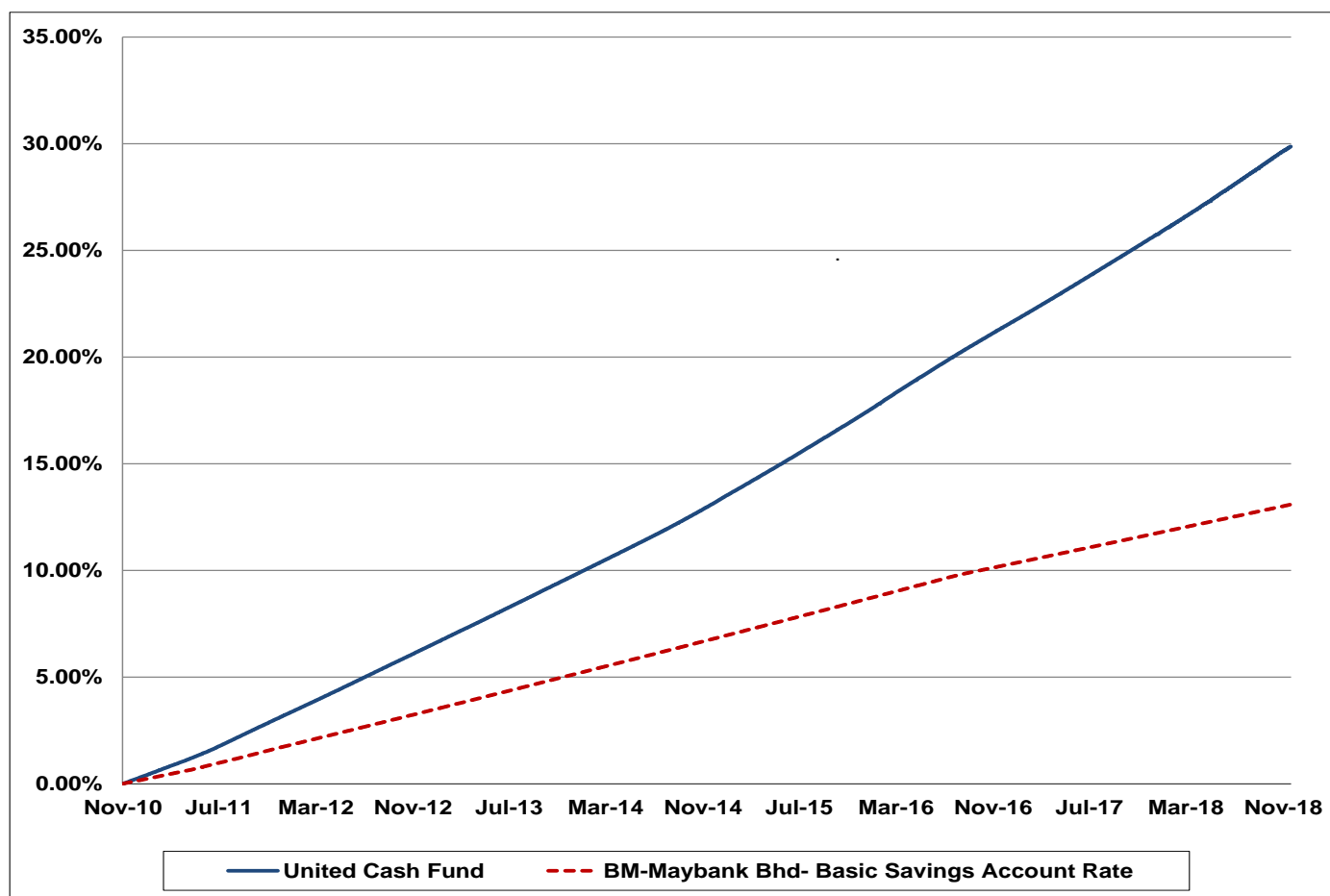
### ***Performance Review***

During the period under review, the Fund was fully invested in United Overseas Bank (Malaysia)'s term deposits, of which a portion of the funds were placed in shorter term deposits in view of the Fund's liquidity requirement and the balance were invested in longer tenor deposits that generate higher returns. At the end of the period, the Fund managed to register a holding period return of 0.88% as compared to the benchmark return of 0.32%.

*Source: UOBAM(M)*

**PERFORMANCE DATA** (as at 30 November 2018)

	1 m	3 m	6 m	12 m	YTD	3 yr (ann.)	5 yr (ann.)	Since launch (ann.)
United Cash Fund	0.27%	0.88%	1.79%	3.55%	3.27%	3.51%	3.45%	3.30%
Malayan Banking Berhad- Basic Savings Account Rate	0.11%	0.32%	0.65%	1.30%	1.20%	1.38%	1.49%	1.54%



Source: UOBAM(M) as at 30 November 2018

Note: The performance of the Fund is benchmarked against the Malayan Banking Berhad - Basic Savings Account Rate

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

## FINANCIAL REVIEW

For the quarter under review, the Fund reported a total investment income of RM23.27 million comprising interest income. After taking into consideration the Fund's expenses, the Fund achieved a net income of RM21.20 million.

## PORTFOLIO STRUCTURE

As at 30 November 2018, the Fund was 100.00% invested in cash deposits.

## ASSET ALLOCATION

The asset allocation of the Fund as at balance sheet date was as follows:

	<b>As at 30 November 2018 %</b>
Cash deposits with UOBM	100
	<u>100</u>

The asset allocation was reflective of the Fund's objective of providing investors with capital preservation, liquidity and reasonable returns.

## FUND SIZE

As at 30 November 2018, the Fund's units in circulation stood at 2,467.55 million units.

<b>Fund Size</b>	<b>As at 30 November 2018</b>
Net Asset Value (RM million)	2,496.02
Units In Circulation (million)	2,467.55
Net Asset Value Per Unit (RM)	1.0115

**UNITED CASH FUND****STATEMENT OF FINANCIAL POSITION (UNAUDITED)****AS AT 30 NOVEMBER 2018**

	Note	30.11.2018 RM	31.05.2018 RM
<b>ASSETS</b>			
Deposits with a licensed financial institution	1	1,798,885,653	1,761,900,385
Interest receivables		17,373,009	18,990,085
Amount due from Manager, net		-	268,670
Cash at a bank		680,401,447	90,986,811
<b>TOTAL ASSETS</b>		<b>2,496,660,109</b>	<b>1,872,145,951</b>
<b>LIABILITIES</b>			
Amount due to Manager, net		579,501	-
Amount due to Trustee		21,196	21,081
Accruals		36,242	77,578
<b>TOTAL LIABILITIES</b>		<b>636,939</b>	<b>98,659</b>
<b>UNITHOLDERS' EQUITY</b>			
Unitholders' capital		2,467,069,482	1,854,697,415
Retained earnings		28,953,688	17,349,877
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS</b>		<b>2,496,023,170</b>	<b>1,872,047,292</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,496,660,109</b>	<b>1,872,145,951</b>
<b>UNITS IN CIRCULATION</b>		<b>2,467,554,973</b>	<b>1,855,037,742</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<b>1.0115</b>	<b>1.0092</b>

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



## UNITED CASH FUND

### STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER OF 1 SEPTEMBER 2018 TO 30 NOVEMBER 2018

		<b>01.09.2018 to 30.11.2018 RM</b>	<b>01.09.2017 to 30.11.2017 RM</b>
<b>INVESTMENT INCOME</b>			
Interest income from deposits with a licensed financial institution		23,271,927	18,625,031
<b>EXPENSES</b>			
Manager's fee		(2,003,151)	(1,658,626)
Trustee's fee		(60,702)	(62,173)
Auditors' remuneration		(2,194)	(2,119)
Tax agent's fee		(798)	(798)
Other expenses		(1,069)	(104,336)
		<u>(2,067,914)</u>	<u>(1,828,052)</u>
<b>NET INCOME BEFORE TAXATION</b>		21,204,013	16,796,979
Tax expense		-	-
<b>NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>21,204,013</u>	<u>16,796,979</u>
Net income after taxation is made up of the following:			
Realised amount		<u>21,204,013</u>	<u>16,796,979</u>
Distributions for the financial period	2	<u>19,339,932</u>	<u>15,649,779</u>

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

## UNITED CASH FUND

### STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED) FOR THE QUARTER OF 1 SEPTEMBER 2018 TO 30 NOVEMBER 2018

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 September 2017		1,945,744,858	13,866,593	1,959,611,451
Total comprehensive income for the financial period		-	16,796,979	16,796,979
Creation of units		577,752,335	-	577,752,335
Reinvestment of units		15,649,779		15,649,779
Cancellation of units		(446,668,736)	-	(446,668,736)
Distributions equalisation		(1,499,401)	1,499,401	-
Distributions	2	-	(15,649,779)	(15,649,779)
Balance as at 30 November 2017		<u>2,090,978,835</u>	<u>16,513,194</u>	<u>2,107,492,029</u>
Balance as at 1 September 2018		2,161,866,591	23,135,404	2,185,001,995
Total comprehensive income for the financial period		-	21,204,013	21,204,013
Creation of units		815,402,055	-	815,402,055
Reinvestment of units		19,339,932		19,339,932
Cancellation of units		(525,584,893)	-	(525,584,893)
Distributions equalisation		(3,954,202)	3,954,202	-
Distributions	2	-	(19,339,932)	(19,339,932)
Balance as at 30 November 2018		<u>2,467,069,483</u>	<u>28,953,687</u>	<u>2,496,023,170</u>

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

**UNITED CASH FUND**

**STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER OF 1 SEPTEMBER 2018 TO 30 NOVEMBER 2018**

	<b>Note</b>	<b>01.09.2018 to 30.11.2018 RM</b>	<b>01.09.2017 to 30.11.2017 RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>			
Maturity of deposits with a licensed financial institution		255,166,442	-
Placement of deposits with a licensed financial institution		-	(173,192,441)
Interest received from deposits with a licensed financial institution		25,605,058	16,428,568
Manager's fee paid		(1,911,551)	(1,567,189)
Trustee's fee paid		(57,926)	(69,156)
Auditor's remuneration paid		(9,328)	(9,010)
Payment of other fees and expenses		(2,964)	(100,054)
Net cash generated from/(used in) operating and investing activities		<u>278,789,731</u>	<u>(158,509,282)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		815,582,055	579,759,335
Payment for cancellation of units		(529,384,893)	(401,527,074)
Net cash generated from financing activities		<u>286,197,162</u>	<u>178,232,261</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		564,986,893	19,722,979
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>			
		147,035,182	79,974,142
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>			
		<u>712,022,075</u>	<u>99,697,121</u>
Cash and cash equivalents comprise the following:			
Deposits with a licensed financial institution		31,620,628	-
Cash at a bank		680,401,447	99,697,121
		<u>712,022,075</u>	<u>99,697,121</u>

The cash at a bank is held with United Overseas Bank (Malaysia) Bhd ("UOBM"), a related company of the Manager and a licensed bank in Malaysia.

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

## UNITED CASH FUND

### NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

#### 1. DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

	<b>30.11.2018</b>	<b>31.05.2018</b>
	<b>RM</b>	<b>RM</b>
Deposits with a licensed financial institution comprise the following:		
- Maturity less than 3 months	31,620,628	-
- Maturity more than 3 months	<u>1,767,265,025</u>	<u>1,761,900,385</u>
	<u>1,798,885,653</u>	<u>1,761,900,385</u>
	<b>30.11.2018</b>	<b>31.05.2018</b>
Weighted average effective interest rate	<u>4.03%</u>	<u>3.99%</u>
Average maturities	<u>84 days</u>	<u>102 days</u>

The deposits are placed with United Overseas Bank (Malaysia) Bhd (“UOBM”), a related company of the Manager and a licensed bank in Malaysia.

#### 2. DISTRIBUTIONS

Distributions to unitholders is derived from the following sources:

	<b>01.09.2018</b>	<b>01.09.2017</b>
	<b>to</b>	<b>to</b>
	<b>30.11.2018</b>	<b>30.11.2017</b>
	<b>RM</b>	<b>RM</b>
Previous financial period’s realised gain	-	13,866,593
Interest income	17,453,644	2,111,837
Distributions equalisation	<u>3,954,202</u>	<u>1,499,401</u>
	21,407,846	17,477,831
Less:		
Expenses	<u>(2,067,914)</u>	<u>(1,828,052)</u>
Net distributable amount	<u>19,339,932</u>	<u>15,649,779</u>

## 2. DISTRIBUTIONS (CONTINUED)

Details of distributions to unitholders during the financial period are as follows:

<b>Distributions Ex-date</b>	<b>Reinvestment settlement date</b>	<b>Distributions per unit RM</b>	<b>Total distributions RM</b>
<b><u>Quarter of 1 September 2018 to 30 November 2018</u></b>			
25 September 2018	26 September 2018	0.0026	5,996,060
25 October 2018	26 October 2018	0.0026	6,499,043
22 November 2018	23 November 2018	0.0026	6,844,829
		<u>0.0078</u>	<u>19,339,932</u>
<b><u>Quarter of 1 September 2017 to 30 November 2017</u></b>			
25 September 2017	26 September 2017	0.0026	5,103,487
25 October 2017	26 October 2017	0.0026	5,266,033
23 November 2017	24 November 2017	0.0026	5,280,259
		<u>0.0078</u>	<u>15,649,779</u>

## 3. MANAGEMENT EXPENSE RATIO (“MER”)

	<b>01.09.2018 to 30.11.2018 %</b>	<b>01.09.2017 to 30.11.2017 %</b>
Manager’s fee	0.08	0.08
Trustee’s fee	-*	-*
Other expenses	-*	0.01
Total MER	<u>0.08</u>	<u>0.09</u>

\* represents less than 0.01%

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.

#### 4. PORTFOLIO TURNOVER RATIO (“PTR”)

	<b>01.09.2018 to 30.11.2018</b>	<b>01.09.2017 to 30.11.2017</b>
PTR (times)	<u>0.75</u>	<u>0.13</u>

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.

#### 5. QUARTERLY REPORT

The quarterly report for the financial period from 1 September 2018 to 30 November 2018 is unaudited.

## **CORPORATE INFORMATION**

<b>Fund Manager</b>	UOB Asset Management (Malaysia) Berhad (219478-X)
<b>Registered &amp; Principal Office</b>	Level 22 Vista Tower The Intermark 348 Jalan Tun Razak 50400 Kuala Lumpur  Tel: 03-2732 1181 Fax: 03-2164 8188  Website: <a href="http://www.uobam.com.my">www.uobam.com.my</a>
<b>Board of Directors</b>	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) Dato' Dr Choong Tuck Yew Mr Khoo Chock Seang En Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
<b>Trustee</b>	Deutsche Trustees Malaysia Berhad (763590-H)
<b>Fund Valuation Service Provider</b>	Deutsche Trustees Malaysia Berhad (763590-H)
<b>Auditor of the Fund</b>	Ernst & Young (AF0039)
<b>Tax Agent of the Fund</b>	Deloitte Tax Services Sdn Bhd (36421-T)
<b>Solicitor of the Fund</b>	Wei Chien & Partners

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