



United Cash Fund

Quarterly Report
31 August 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 JUNE 2018 – 31 AUGUST 2018)

Market Review

Money market rates traded flat across the board during the period under review. Local debt market ended mixed in June due to the ongoing global trade tariff issues. Subsequently local government bonds traded higher in July and August on buying interest from local and foreign institutional investors coupled with the release of the weaker-than-expected 2Q2018 Gross Domestic Product ("GDP") number.

Malaysia's 2Q2018 GDP growth slowed more than expected to 4.5% from 5.4% registered in 1Q2018 amid supply disruptions in the mining sector and lower agriculture production. On the demand side, private sector activity expanded by 7.5% underpinned by private consumption which grew at a stronger pace of 8.0%.

Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") unchanged at 3.25% at its monetary policy meeting in July as widely expected. BNM expects the global economy continues to expand though the intensification of global trade tensions could impact sentiments on trade, consumption and investment. Domestic economy is expected to remain on a steady growth path supported by private sector activity and exports.

The Ringgit depreciated by 3.1% against the United States Dollar ("USD") during the period amid heightened global trade tensions and selloff in emerging markets. USD/Malaysian Ringgit ("MYR") last traded at 4.1090 from the opening of 3.9798.

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

Source: UOBAM(M)

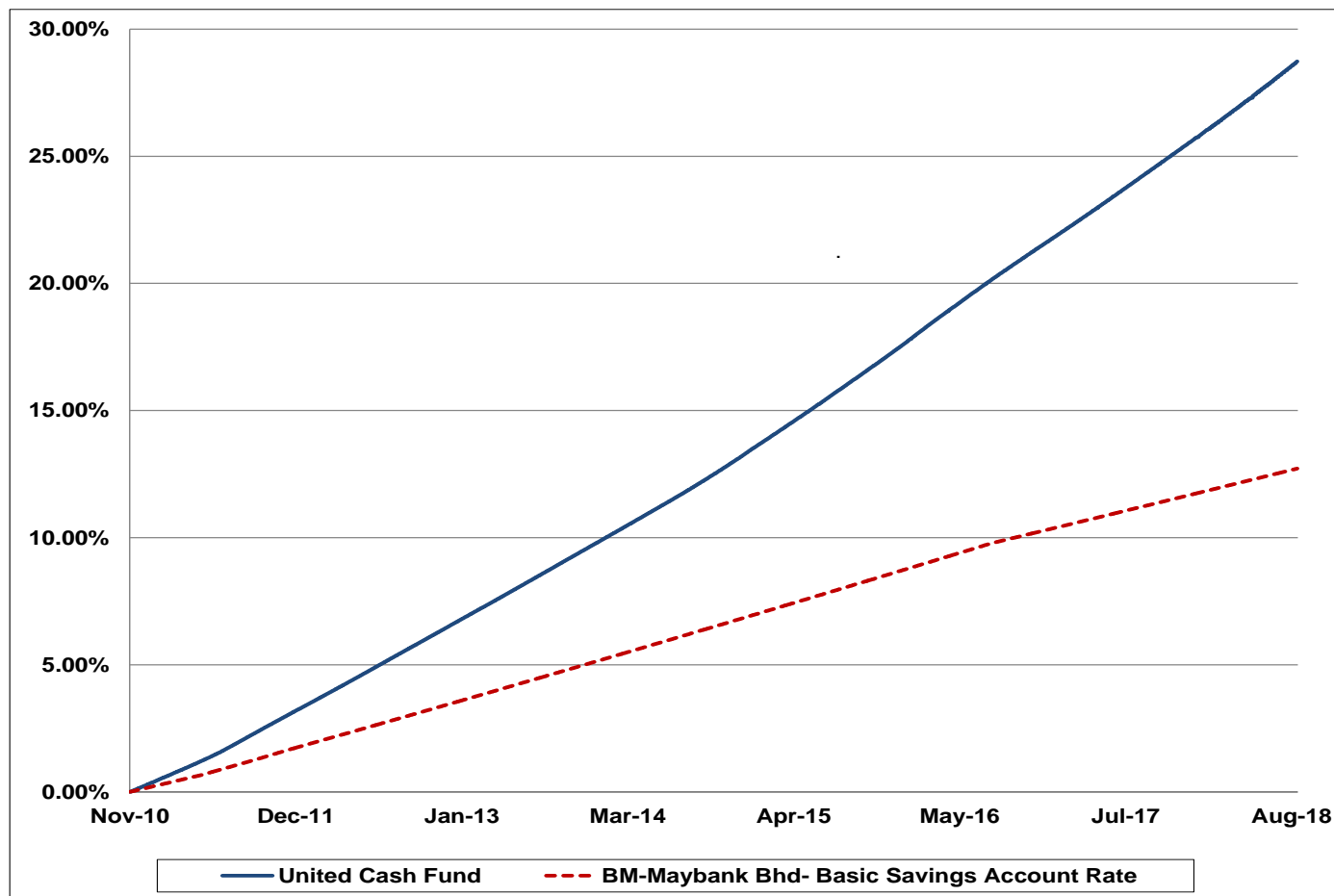
Performance Review

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 0.89% as compared to the benchmark return of 0.32%.

Source: UOBAM(M)

PERFORMANCE DATA (as at 31 August 2018)

	1 m	3 m	6 m	12 m	YTD	3 yr (ann.)	5 yr (ann.)	Since launch (ann.)
United Cash Fund	0.30%	0.89%	1.79%	3.51%	2.36%	3.51%	3.43%	3.29%
Malayan Banking Berhad- Basic Savings Account Rate	0.11%	0.32%	0.65%	1.30%	0.87%	1.41%	1.51%	1.55%



Source: UOBAM(M) as at 31 August 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 RM20.69 million comprising interest income. After taking into consideration the Fund's expenses, the Fund achieved a net income of RM18.89 million.

PORTFOLIO STRUCTURE

As at 31 August 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:

	As at 31 August 2018
	%
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 31 August 2018, the Fund's units in circulation stood at 2,162.28 million units.

Fund Size	As at 31 August 2018
Net Asset Value (RM million)	2,185.00
Units In Circulation (million)	2,162.28
Net Asset Value Per Unit (RM)	1.0105

UNITED CASH FUND

STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 31 AUGUST 2018

	Note	31.08.2018 RM	31.05.2018 RM
ASSETS			
Deposits with a licensed financial institution	1	2,022,431,467	1,761,900,385
Interest receivables		19,706,141	18,990,085
Amount due from Manager, net		-	268,670
Cash at a bank		147,035,182	90,986,811
TOTAL ASSETS		2,189,172,790	1,872,145,951
LIABILITIES			
Amount due to Manager, net		4,107,901	-
Amount due to Trustee		18,421	21,081
Accruals		44,473	77,578
TOTAL LIABILITIES		4,170,795	98,659
UNITHOLDERS' EQUITY			
Unitholders' capital		2,161,866,591	1,854,697,415
Retained earnings		23,135,404	17,349,877
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS		2,185,001,995	1,872,047,292
TOTAL EQUITY AND LIABILITIES		2,189,172,790	1,872,145,951
UNITS IN CIRCULATION		2,162,284,321	1,855,037,742
NET ASSET VALUE PER UNIT (RM)		1.0105	1.0092

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 JUNE 2018 TO 31 AUGUST 2018

		01.06.2018 to 31.08.2018 RM	01.06.2017 to 31.08.2017 RM
INVESTMENT INCOME			
Interest income from deposits with a licensed financial institution		20,688,150	17,071,239
EXPENSES			
Manager's fee		(1,736,560)	(1,345,298)
Trustee's fee		(58,662)	(69,584)
Auditors' remuneration		(2,218)	(2,143)
Tax agent's fee		(807)	(807)
Other expenses		(50)	(85,174)
		<u>(1,798,297)</u>	<u>(1,503,006)</u>
NET INCOME BEFORE TAXATION		18,889,853	15,568,233
Tax expense		-	-
NET INCOME AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>18,889,853</u>	<u>15,568,233</u>
Net income after taxation is made up of the following:			
Realised amount		<u>18,889,853</u>	<u>15,568,233</u>
Distributions for the financial period	2	<u>16,013,677</u>	<u>14,372,085</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 JUNE 2018 TO 31 AUGUST 2018

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 June 2017		1,694,287,033	10,672,042	1,704,959,075
Total comprehensive income for the financial period		-	15,568,233	15,568,233
Creation of units		564,384,314	-	564,384,314
Reinvestment of units		14,372,085	-	14,372,085
Cancellation of units		(325,300,171)	-	(325,300,171)
Distributions equalisation		(1,998,403)	1,998,403	-
Distributions	2		(14,372,085)	(14,372,085)
Balance as at 31 August 2017		<u>1,945,744,858</u>	<u>13,866,593</u>	<u>1,959,611,451</u>
Balance as at 1 June 2018		1,854,697,415	17,349,877	1,872,047,292
Total comprehensive income for the financial period		-	18,889,853	18,889,853
Creation of units		874,077,575	-	874,077,575
Reinvestment of units		16,013,677	-	16,013,677
Cancellation of units		(580,012,725)	-	(580,012,725)
Distributions equalisation		(2,909,351)	2,909,351	-
Distributions	2	-	(16,013,677)	(16,013,677)
Balance as at 31 August 2018		<u>2,161,866,591</u>	<u>23,135,404</u>	<u>2,185,001,995</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 JUNE 2018 TO 31 AUGUST 2018

	01.06.2018 to 31.08.2018 RM	01.06.2017 to 31.08.2017 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Placement of deposits with a licensed financial institution	(2,022,431,467)	(1,866,774,707)
Interest received from deposits with a licensed	19,972,094	16,454,101
Manager's fee paid	(1,679,700)	(1,298,159)
Trustee's fee paid	(61,322)	(67,146)
Payment of other fees and expenses	(36,179)	(82,802)
Net cash used in operating and investing activities	<u>(2,004,236,574)</u>	<u>(1,851,768,713)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	875,177,575	564,377,313
Payment for cancellation of units	(576,793,015)	(323,982,531)
Net cash generated from financing activities	<u>298,384,560</u>	<u>240,394,782</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,705,852,014)	(1,611,373,931)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,852,887,196	1,691,348,073
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>147,035,182</u>	<u>79,974,142</u>
Cash and cash equivalents comprise the following:		
Cash at a bank	<u>147,035,182</u>	<u>79,974,142</u>

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

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

UNITED CASH FUND

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

1. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	31.08.2018	31.05.2018
	RM	RM
Deposits with a licensed financial institution comprise the following:		
- Maturity more than 3 months	<u>2,022,431,467</u>	<u>1,761,900,385</u>
	31.08.2018	31.05.2018
Weighted average effective interest rate	<u>4.03%</u>	<u>3.99%</u>
Average maturities	<u>90 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:

	01.06.2018	01.06.2017
	to	to
	31.08.2018	31.08.2017
	RM	RM
Interest income	14,902,623	13,876,688
Distributions equalisation	<u>2,909,351</u>	<u>1,998,403</u>
	17,811,974	15,875,091
Less:		
Expenses	<u>(1,798,297)</u>	<u>(1,503,006)</u>
Net distributable amount	<u>16,013,677</u>	<u>14,372,085</u>

2. DISTRIBUTIONS (CONTINUED)

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

Distributions Ex-date	Reinvestments settlement date	Distributions per unit RM	Total distributions RM
<u>Quarter of 1 June 2018 to 31 August 2018</u>			
25 June 2018	26 June 2018	0.0026	5,187,956
25 July 2018	26 July 2018	0.0026	5,196,415
23 August 2018	24 August 2018	0.0026	5,629,306
		<u>0.0078</u>	<u>16,013,677</u>
<u>Quarter of 1 June 2017 to 31 August 2017</u>			
22 June 2017	23 June 2017	0.0026	4,622,069
25 July 2017	26 July 2017	0.0025	4,619,652
24 August 2017	25 August 2017	0.0026	5,130,364
		<u>0.0077</u>	<u>14,372,085</u>

3. MANAGEMENT EXPENSE RATIO (“MER”)

	01.06.2018 to 31.08.2018 %	01.06.2017 to 31.08.2017 %
Manager’s fee	0.08	0.08
Trustee’s fee	0.01	-
Total MER	<u>0.09</u>	<u>0.08</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”)

	01.06.2018	01.06.2017
	to	to
	31.08.2018	31.08.2017
PTR (times)	<u>0.66</u>	<u>0.84</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 quarter of 1 June 2018 to 31 August 2018 is unaudited.

CORPORATE INFORMATION

Fund Manager	UOB Asset Management (Malaysia) Berhad (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) Dato' Dr Choong Tuck Yew Mr Khoo Chock Seang En Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
Trustee	Deutsche Trustees Malaysia Berhad (763590-H)
Fund Valuation Service Provider	Deutsche Trustees Malaysia Berhad (763590-H)
Auditor of the Fund	Ernst & Young (AF0039)
Tax Agent of the Fund	Deloitte Tax Services Sdn Bhd (36421-T)
Solicitor of the Fund	Wei Chien & Partners

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