United Global Income Focus Fund

Annual Report
31 August 2018

UOB Asset Management

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 Fund (the "Target Fund")

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

25% Morgan Stanley Capital Investment All Country World Index ("MSCI AC World Index") and 75% Citi World Government Bond Index 10+ Years (Hedged) Index, which is also the performance benchmark of the Target Fund.

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.

United Global Income Focus Fund - MYR Hedged Class

Fund Performance Review

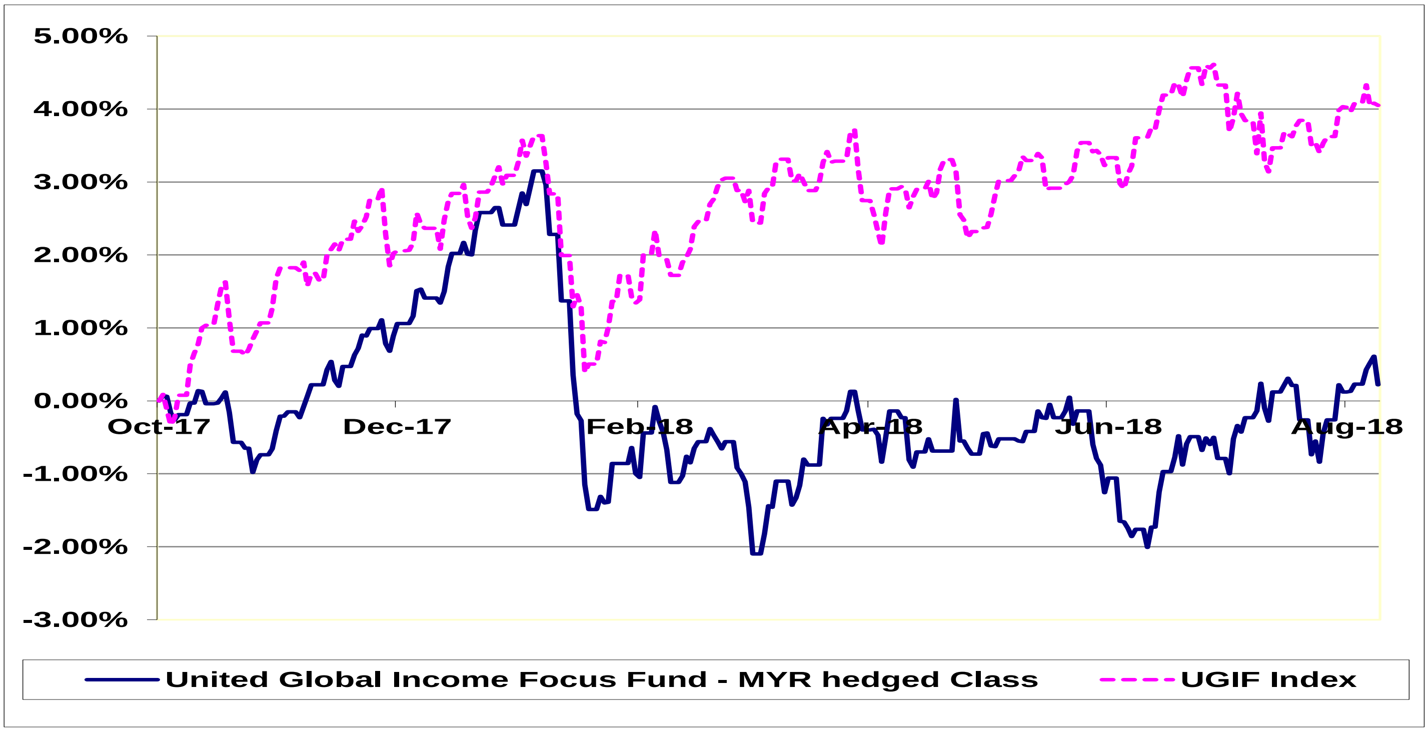
For the period under review, the United Global Income Focus Fund (MYR Hedged Class) registered a return of 0.22%, underperforming the benchmark return of 4.05%.

The Fund is 98.09% invested in the Target Fund as at end of August 2018.

Fund Performance Data (as at 31 August 2018)

	1 m	3 m	6 m	12 m	YTD	Since inception (23 October 2017)
United Global Income Focus Fund (MYR Hedged Class)	-0.02%	0.78%	0.65%	N/A	-1.17%	0.22%
Benchmark: UGIF Index	0.10%	0.68%	2.04%	N/A	1.64%	4.05%

Source: UOBAM(M), as at 31 August 2018



Source: UOBAM(M), as at 31 August 2018

Note: The performance of the Fund is benchmarked against 25% MSCI AC World Index and 75% Citi World Government Bond Index 10+ Years (Hedged) Index.

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

United Global Income Focus Fund - MYR hedged Class	As at 31 August 2018
Net Asset Value (RM million)	12.32
Units In Circulation (million)	50.50
Net Asset Value Per Unit (RM)	1.0022
Highest Net Asset Value Per Unit (RM)	1.0315
Lowest Net Asset Value Per Unit (RM)	0.9790

United Global Income Focus Fund - SGD Hedged Class

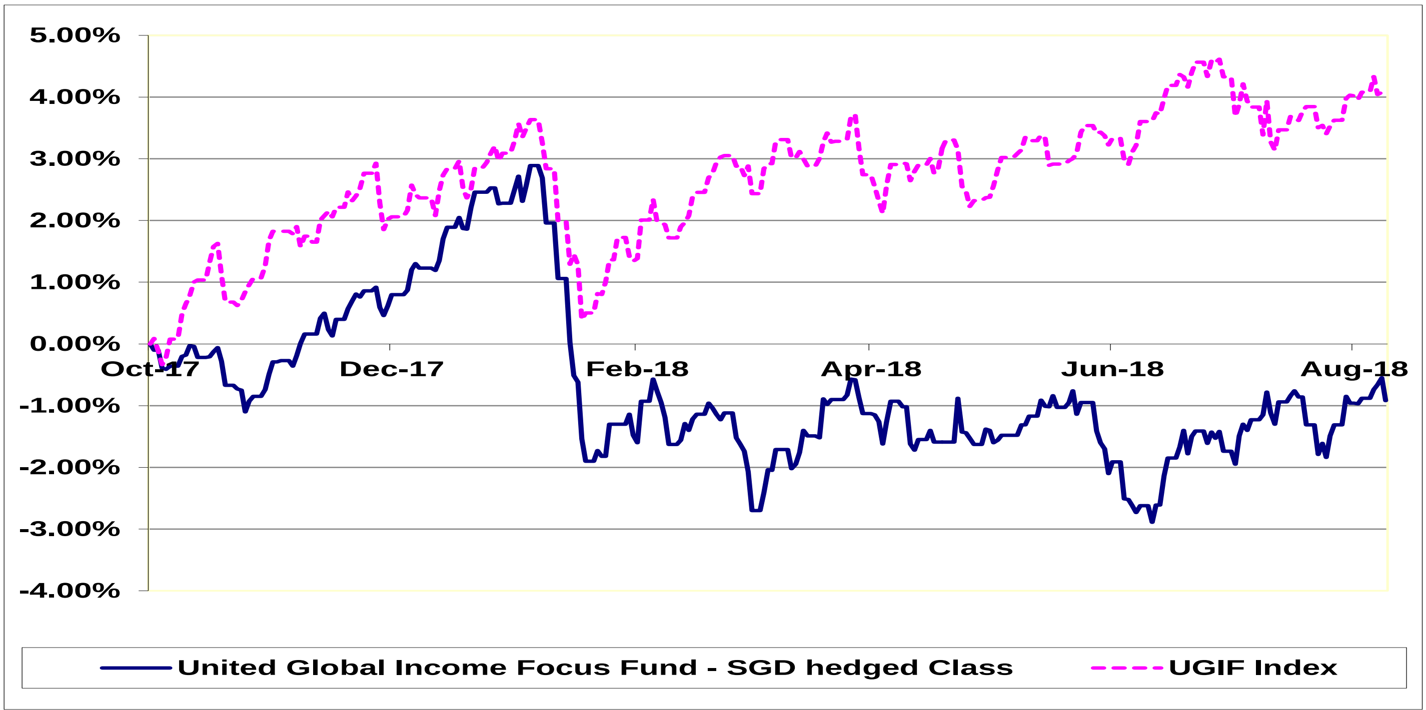
Fund Performance Review

For the period under review, the United Global Income Focus Fund (SGD Hedged Class) registered a negative return of 0.92%, underperforming the benchmark return of 4.05%.

Fund Performance Data (as at 31 August 2018)

	1 m	3 m	6 m	12 m	YTD	Since inception (23 October 2017)
United Global Income Focus Fund (SGD Hedged Class)	-0.14%	0.40%	0.03%	N/A	-2.12%	-0.92%
Benchmark: UGIF Index	0.10%	0.68%	2.04%	N/A	1.64%	4.05%

Source: UOBAM(M), as at 31 August 2018



Source: UOBAM(M), as at 31 August 2018

Note: The performance of the Fund is benchmarked against 25% MSCI AC World Index and 75% Citi World Government Bond Index 10+ Years (Hedged) Index.

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

United Global Income Focus Fund - SGD hedged Class	As at 31 August 2018
Net Asset Value (SGD million)	1.76
Units In Circulation (million)	1.78
Net Asset Value Per Unit (SGD)	0.9908
Highest Net Asset Value Per Unit (SGD)	1.0289
Lowest Net Asset Value Per Unit (SGD)	0.9711

United Global Income Focus Fund - USD Class

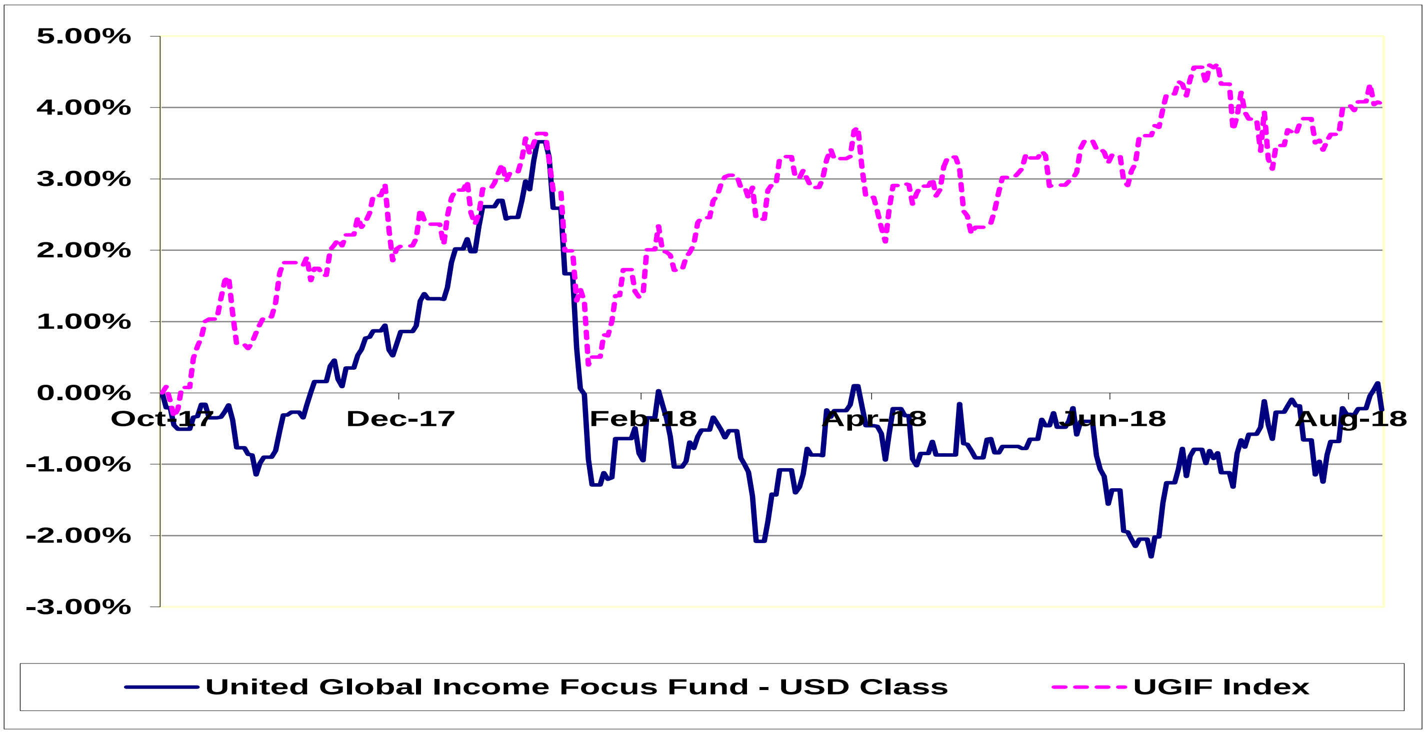
Fund Performance Review

For the period under review, the United Global Income Focus Fund (USD Class) registered a negative return of 0.24%, underperforming the benchmark return of 4.05%.

Fund Performance Data (as at 31 August 2018)

	1 m	3 m	6 m	12 m	YTD	Since inception (23 October 2017)
United Global Income Focus Fund (USD Class)	-0.13%	0.54%	0.12%	N/A	-1.54%	-0.24%
Benchmark: UGIF Index	0.10%	0.68%	2.04%	N/A	1.64%	4.05%

Source: UOBAM(M), as at 31 August 2018



Source: UOBAM(M), as at 31 August 2018

Note: The performance of the Fund is benchmarked against 25% MSCI AC World Index and 75% Citi World Government Bond Index 10+ Years (Hedged) Index.

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

United Global Income Focus Fund - USD Class	As at 31 August 2018
Net Asset Value (USD million)	2.97
Units In Circulation (million)	2.98
Net Asset Value Per Unit (USD)	0.9976
Highest Net Asset Value Per Unit (USD)	1.0352
Lowest Net Asset Value Per Unit (USD)	0.9770

United Income Focus Trust Fund (Target Fund)

Target Fund Performance Review

In the fourth quarter of 2017, the Fund returned 3.2% (United States Dollar ("USD"), gross). Positive returns across asset classes contributed to solid performance for the fund over the fourth quarter. Global equities contributed significantly to performance (+222 basis points ("bps")), with notable gains across Industrials (+55 bps), Information Technology (+42 bps), Consumer Discretionary (+34 bps), Consumer Staples (+26 bps) and Utilities (+23 bps). Within fixed income (+87 bps), investment grade credit was a key driver for performance (+75 bps) buoyed by a healthy economic backdrop and strong demand technicals. The opportunistic allocation to European financial debt within Alternatives also added to performance (+13 bps).

In the first quarter of 2018, the Fund returned -2.1% (USD, gross). The primary driver of returns year-to-date has been high quality investment grade credit (-1.1%). Although the asset class performed reasonably well during the market sell-offs, investment grade credit came under pressure in January/early February as global yields rose - especially in the United States of America ("U.S."). Global equities have also detracted marginally (-0.4%) whilst global government bonds have been neutral for performance. Among equity sectors, the key detractors were telecommunication services (-33 bps), real estate (-29 bps), financials (-15 bps) and health care (-12 bps). This was offset by gains in industrials (+18 bps), information technology (+17 bps), energy (+12 bps), and consumer staples (+11 bps). It is worth noting that our active equity portfolio outperformed MSCI ACWI by +70 bps and +80 bps, in February and March, respectively.

In the second quarter of 2018, the Fund returned -0.04% (USD, gross). Performance during the second quarter was relatively muted. Positive performance from currency hedging (+94 bps) was offset by negative performance from global fixed income (-100 bps). Within fixed income, investment grade credit was the key detractor (-68 bps) as credit spreads widened. Global equities marginally detracted (-0.1%) during the quarter. Among equity sectors, positive performance from real estate (+56 bps), utilities (+14 bps), and energy (+13 bps) were offset by negative performance from telecommunication services (-38 bps), financials (-36 bps), and information technology (-19 bps).

In July, the Fund returned +2.2% in USD absolute terms. Global equities (+137 bps) was a strong contributor to performance. All regions were positive for performance. In particular, U.S. and European equities contributed most supported by strong earnings growth and easing trade tensions between U.S. and Europe. Emerging market equities also rebounded in July as many countries in the region stabilised after a volatile second quarter. From a sector perspective, Financials (+40 bps) and Healthcare (+31 bps) were the top contributors. Fixed income markets (+61 bps) were also positive for performance driven by investment grade credit (+42 bps) and emerging markets debt (+10 bps). Global corporate credit markets generated positive total and excess returns as spreads tightened amid signs of persistent global cyclical strength. The fixed income hedges, specifically short U.S. 10 year, in the portfolio also added to performance (+11 bps) as yields rose. Finally, within Alternatives, European financials (+8 bps) and real estate (+7 bps) both contributed to performance.

Target Fund Performance Review (continued)

In August, the Fund returned -0.1% in USD absolute terms. Global equities detracted (-0.5%), partly offset by gains within fixed income (+0.2%), alternatives (+0.1%) and currency hedging (+0.1%). Within global equities, U.S. equities (+39 bps) contributed to performance as positive sentiment was fueled by positive earnings growth, fiscal stimulus, the announcement of a preliminary trade deal between the U.S. and Mexico, and expectations for stronger U.S. economic growth relative to other regions of the world. However, this is offset by losses within European equities (-71 bps). Key issues that weighed on sentiment included trade tensions and protectionism, uncertainty about Italy's 2019 budget, and concerns that Turkey's financial crisis could spread to global markets. From a sector perspective, gains from Healthcare (+14 bps) and Information Technology (+12 bps) were key contributors, offset by losses from Financials (-23 bps) and Consumer Discretionary (-19 bps). Fixed income markets delivered positive performance for the month, driven by investment grade credit (+11 bps) and developed market bonds (+6 bps) as yields fell on the back of emerging market contagion fears and trade tensions resulting in a flight to safety. High yield (+8 bps) also added to performance despite a flare up in emerging markets volatility, supported by strong economic data and light supply. Finally, within Alternatives, real estate (+7 bps) added to performance.

Source: UOB Asset Management Ltd

Target Fund Performance Data (as at 31 August 2018)

	1 m	3 m	6 m	12 m	YTD	Since 30 November 2015 (annualised)
United Income Focus Trust Fund (USD Dist)	-0.35%	0.51%	0.34%	1.87%	-1.45%	5.90%
Benchmark: 25% MSCI All Country World Index and 75% Citi World Government Bond 10+ Years Index (Hedged) (USD)	0.10%	0.69%	2.09%	4.20%	1.74%	6.49%

Source: UOB Asset Management Ltd, as at 31 August 2018

Investment Policy and Strategy employed by the Target Fund

Across the last quarter of 2018, we have tactically increased duration to 5.3 years as of end-December. Given that U.S. 10-year yields are over 2.4%, the External Investment Manager (i.e. UOB Asset Management Ltd) took the opportunity to reduce our U.S. duration hedges, ultimately helping to enhance the portfolio's yield and to increase diversification within the portfolio. The External Investment Manager aims to tactically manage duration as the External investment Manager move through 2018. The fund's volatility target has been maintained at 5.0% from the previous quarter.

Going into the first quarter of 2018, their volatility management for the portfolio was positioned defensively. The External Investment Manager had previously reduced the volatility target of the portfolio from 8% to 5% in the second quarter of 2017 as the External Investment Manager believed the low volatility regime in markets and high valuations on both equities and bonds warranted some caution. Given the sharp change in equity volatility in February, the risk management processes systematically engaged to position the portfolio for a more turbulent market regime by reducing overall net exposure of the portfolio from 91% as of end-December to 67% as of end-February. This served to keep the volatility profile close to the 5% target and to help protect client's capital during periods of market stress. Across the quarter, duration was also reduced from 5.3 years as of end-December to 4.1 years as of end-March to help protect the portfolio against rising yields. The External Investment Manager is cautiously constructive on global equities in particular, given current valuations and has tactically added global equity exposure on recent market weakness. Alongside this shift has been an increase in the volatility target to 6% from the previous 5% target. However, with this optimism comes a keen focus on risk management and the External Investment Manager retain duration exposures to help balance the equity and credit risk inherent in the portfolio. It is these that the External Investment Manager will rely on to help protect the portfolio should negative news begin to outpace the positive.

In the second quarter of 2018, risk assets are facing a tug-of-war between solid global economic fundamentals and risks of higher inflation, interest rates and protectionism. The External Investment Manager think the global cycle is strong enough to support earnings growth and result in moderately higher interest rates, leading them to support a moderately bullish stance on equities. The External Investment Manager have increased equity exposure from 47% in March to 52% in June, with +3.5% held in equity futures as a tactical allocation to the asset class. While the portfolio continues to be underweight to United States, it has reduced its underweight position in U.S. across the quarter. This has been funded from a reduction in exposure to other developed markets, in particular Japan. The portfolio maintains an overweight to Emerging Markets (primarily India, Thailand and Russia). From a sector perspective, the portfolio continues to favour higher yielding sectors and has increased exposure to real estate across the quarter. It has also maintained a heightened exposure to Energy and Materials relative to its own history - these sectors should be primary beneficiaries of late cycle expansion. On the fixed income front, the External Investment Manager has been tactical in managing the portfolio’s duration positioning. During the quarter, the portfolio’s duration ranged between 4 to 5 years. As of end-June, the portfolio’s duration was 4.2 years. Overall, the volatility target was increased from 5% as of end-Mar to 6.5% as of end-Jun as the periodic risk sell-offs the External Investment Manager witnessed during the first quarter provided opportunities to add to areas of the market that the External Investment Manager have conviction in.

In July, the equity exposure increased from 52% in June to 53%, with +3.4% held in equity futures as a tactical allocation to the asset class. On the fixed income front, the portfolio’s duration was reduced from 4.2 years in June to 4.1 years during the month. The External Investment Manager has been tactical in managing the portfolio’s duration positioning. During the month, the External Investment Manager had also introduced a systematic U.S. Corporate Bond strategy in the portfolio. This allocation mainly consists of USD denominated global corporate bonds and makes up 7.5% of the portfolio (6% in investment grade ("IG") and 1.5% in high yield ("HY")). The Systematic U.S. Corporate Bond strategy seeks to extract alpha through a systematic factor analysis that can identify and exploit inefficiencies and mispricings across the credit spectrum. The strategy is more tactical in nature, and serves as a good complement to the existing structural core IG and HY credit allocation in UIFT. Overall, the volatility target was maintained at 6.5% as of end-July.

With developed market equities’ volatility subsiding in August, the External Investment Manager decreased the portfolio’s volatility target to 6% in early August (from 6.5% in July). To maintain the 6% target volatility profile, the External Investment Manager have opportunistically increased the allocation to equity futures across the month. The equity exposure increased from 53% in July to 61% in August, with +12% held in equity futures as a tactical allocation to the asset class. On the fixed income front, the External Investment Manager have continued to be tactical in their duration positioning, increasing from 4.1 years as of end-July to a peak of 5.8 years during the month, before reducing it to 4.6 years as of end-August. The fund’s duration is at the lower end of its duration range since inception. While their cyclical leads point to higher inflation and interest rates, the External Investment Manager see credible evidence that both will be tempered by structural forces, including technology, globalisation, and demographics, and therefore expect modest increases in inflation and interest rates. As of end-August, the fund’s volatility target is at 6%. Their objective remains to protect your capital as best they can, whilst also delivering on your return objectives in the medium to long term.

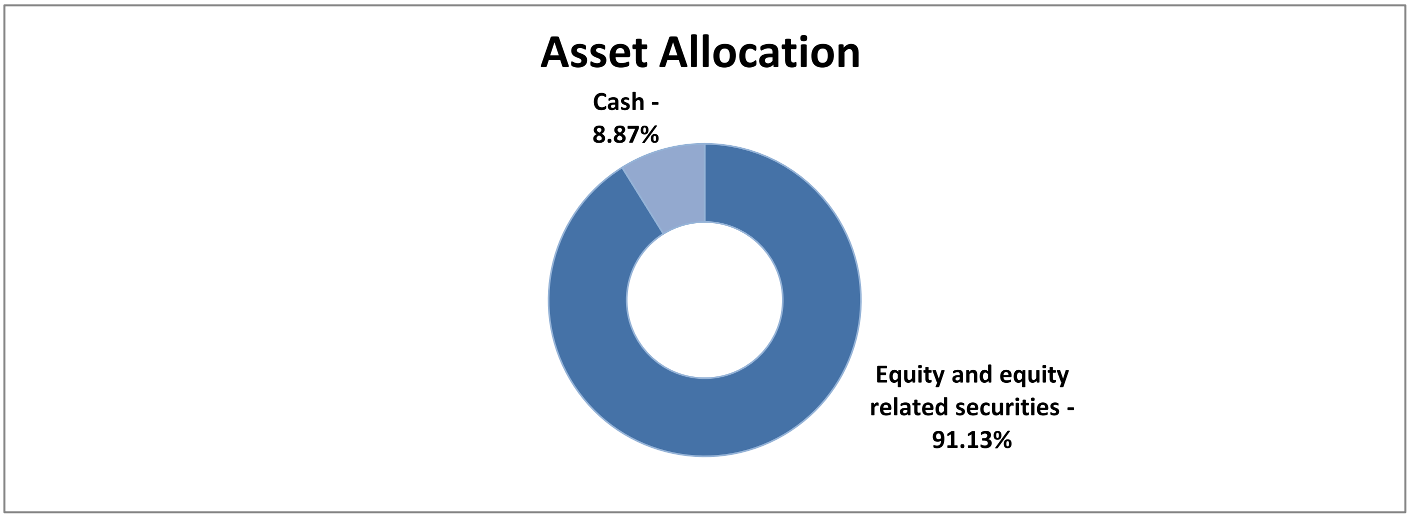
Source: UOB Asset Management Ltd

PORTFOLIO STRUCTURE

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

	As at 31 August 2018 **%**
Foreign collective investment scheme	98.09
Cash and others	1.91
Total	**100.00**

The pie chart below shows the asset allocation of the Target Fund as at 31 August 2018.



Source: UOB Asset Management Ltd

OTHER MATTER

(a) As at 31 August 2018, 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

Global equities continued their rally in the last couple months of the year on the back of strong economic data and positive developments on U.S. tax reform, despite the gradual removal of monetary accommodation. In the U.S., the Federal Reserve ("Fed") hiked its target rate for the third time this year, but did not materially change its inflation forecasts. In Europe, the European Central Bank ("ECB") announced that the bank’s quantitative easing ("QE") program will likely be extended through September 2018 but the size of monthly asset purchases will be reduced starting in January 2018. Most global sovereign yield curves flattened and credit spreads continued to tighten during the period.

The first quarter of 2018 has been a turbulent start to the year, as a positive January was followed by a challenging February and March. This period could be characterised by two somewhat distinct bouts of weakness. The first correction in February was driven by a technical sell-off which hit global equity markets with indiscriminate selling. The second came in March and appeared to be more fundamentally driven based on concerns of escalating trade tensions and tighter financial conditions.

Market Review (continued)

In the second quarter of 2018, global market sentiment shifted with the ebb and flow of trade tension news. At the start of the quarter, trade tensions eased after North American Free Trade Agreement negotiations progressed, Chinese President Xi Jinping promised foreign companies greater access to China’s financial and manufacturing sectors, and President Donald Trump instructed senior aides to investigate the possibility of re-entering the Trans-Pacific Partnership. Later on, trade tensions escalated as the U.S. imposed additional levies on Chinese goods while China vowed retaliatory tariffs. U.S. President Donald Trump also threatened tariffs on European autos. On the monetary policy front, strong U.S. economic data gave the Fed confidence to raise interest rates in June and signal the potential for two additional hikes later this year. The ECB announced that quantitative easing will end in December 2018, but its June meeting had a very dovish undertone, as the Governing Council pledged to keep policy rates unchanged at least through the summer of 2019.

In July, global equities posted positive results. Global trade tensions remained volatile, but all major global equity indices rose, supported by strong earnings growth which surpassed expectations. Trade war fears between U.S. and Europe eased, while Chinese equities continued to be weighed down by concerns about slowing growth and ongoing trade disputes with the U.S. Global sovereign yields ended higher. On the monetary front, the Bank of Canada raised interest rates for the second time in 2018, and the People’s Bank of China increased its efforts to support commercial lenders by offering the largest single injection of liquidity into the banking system — 502 billion yuan of medium-term lending facility credit. The Bank of Japan adjusted its policy framework and the ECB reiterated no future rate hikes until summer 2019.

It was a mixed story for equities in August. The U.S. stock market was buoyed by positive sentiment; however, European, Pacific Basin and Emerging market equities ended the month in negative territory. Mounting trade tensions and emerging markets turmoil dominated headlines during the month. Early in August, trade relations between the U.S and China deteriorated further as the U.S. threatened to apply an additional tariff on USD 200 billion of Chinese goods. The U.S. levied sanctions against Iran and Turkey, while tensions with Mexico eased post the North American Free Trade Agreement ("NAFTA") deal. On the monetary front, the Bank of England ("BoE") delivered its well-anticipated 25 bps interest rate increase. The U.S. Fed looks set to continue raising rates in a gradual fashion. The policy rate was held steady in August but the minutes of the meeting, along with Fed Chair Jerome Powell’s speech at Jackson Hole, indicate that the Fed is likely to continue to raise rates at a pace of 25 bps per quarter.

Source: UOB Asset Management Ltd

UNITED GLOBAL INCOME FOCUS FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF UNITED GLOBAL INCOME FOCUS FUND

We have acted as Trustee for United Global Income Focus Fund (the "Fund") for the first financial period from 23 October 2017 (date of commencement) to 31 August 2018. To the best of our knowledge, for the financial period 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 Unlisted Capital Market Products under The Lodge and Launch Framework, 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.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Ng Hon Leong
Head, Trustee Operations

Kuala Lumpur, Malaysia
26 October 2018

UNITED GLOBAL INCOME FOCUS FUND

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 18 to 41 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 2018 and of its financial performance, changes in net asset value and cash flows for the first financial period from 23 October 2017 (date of commencement) to 31 August 2018 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
26 October 2018

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 2018, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the first financial period from 23 October 2017 (date of commencement) to 31 August 2018, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 August 2018 and of its financial performance and cash flows for the first financial period from 23 October 2017 (date of commencement) to 31 August 2018 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("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 we do not express any form of assurance conclusion thereon.

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	Chan Hooi Lam
AF: 0039	No. 02844/02/2020 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
26 October 2018

UNITED GLOBAL INCOME FOCUS FUND

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018

	Note	2018 USD
ASSETS		
Investments	3	16,265,272
Cash at bank		446,000
TOTAL ASSETS		16,711,272
LIABILITIES		
Forward foreign currency contracts	4	75,411
Amount due to Manager	5	47,493
Amount due to Trustee	6	779
Accruals		5,782
TOTAL LIABILITIES		129,465
UNITHOLDERS' EQUITY		
Unitholders' capital	7	16,785,830
Accumulated loss	7	(204,023)
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS	7	16,581,807
TOTAL EQUITY AND LIABILITIES		16,711,272
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS		
- MYR CLASS		12,319,252
- SGD CLASS		1,289,659
- USD CLASS		2,972,896
		16,581,807
UNITS IN CIRCULATION		
- MYR HEDGED CLASS	7(a)	50,495,048
- SGD HEDGED CLASS	7(b)	1,779,719
- USD CLASS	7(c)	2,980,049

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

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

	2018
NET ASSET VALUE PER UNIT IN USD	
- MYR HEDGED CLASS	0.2440
- SGD HEDGED CLASS	0.7246
- USD CLASS	0.9976
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- MYR HEDGED CLASS (MYR)	1.0022
- SGD HEDGED CLASS (SGD)	0.9907
- USD CLASS (USD)	0.9976

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

UNITED GLOBAL INCOME FOCUS FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL PERIOD FROM 23 OCTOBER 2017 (DATE OF COMMENCEMENT) TO 31 AUGUST 2018

	Note	23.10.2017 to 31.08.2018 USD
INVESTMENT LOSS		
Interest income from deposits with a licensed financial institution		7,171
Income distribution from investments at fair value through profit or loss (“FVTPL”)		70,821
Other income		679
Net loss on investments at FVTPL:	3	
- net realised loss on sale of investments at FVTPL		(21,132)
- net unrealised loss on changes in fair value	7(e)	(99,119)
Net realised gain on forward foreign currency contracts		6,751
Net realised foreign currency exchange gain		12,807
Net unrealised loss on forward foreign currency contracts	7(e)	(75,411)
Net unrealised foreign currency exchange gain	7(e)	125
		(97,308)
EXPENSES		
Manager’s fee	8	80,833
Trustee’s fee	9	7,350
Auditors’ remuneration		2,195
Tax agent’s fee		992
Other expenses		15,345
		106,715
NET LOSS BEFORE TAXATION		(204,023)
Tax expense	10	-
NET LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		(204,023)
Net loss after taxation is made up of the following:		
Realised amount	7(d)	(29,618)
Unrealised amount	7(e)	(174,405)
		(204,023)

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

UNITED GLOBAL INCOME FOCUS FUND

STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FIRST FINANCIAL PERIOD FROM 23 OCTOBER 2017
(DATE OF COMMENCEMENT) TO 31 AUGUST 2018

	Note	Unitholders' capital USD	Accumulated loss USD	Total net asset value USD
Balance as at 23 October 2017 (date of commencement)		-	-	-
Movement in net asset value:				
Total comprehensive loss for the financial period		-	(204,023)	(204,023)
Creation of units				
- MYR HEDGED CLASS	7(a)	13,310,663	-	13,310,663
- SGD HEDGED CLASS	7(b)	1,854,142	-	1,854,142
- USD CLASS	7(c)	4,921,155	-	4,921,155
Cancellation of units				
- MYR HEDGED CLASS	7(a)	(871,999)	-	(871,999)
- SGD HEDGED CLASS	7(b)	(507,629)	-	(507,629)
- USD CLASS	7(c)	(1,920,502)	-	(1,920,502)
Balance as at 31 August 2018		16,785,830	(204,023)	16,581,807

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

UNITED GLOBAL INCOME FOCUS FUND

STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL PERIOD FROM 23 OCTOBER 2017
(DATE OF COMMENCEMENT) TO 31 AUGUST 2018

	23.10.2017 to 31.08.2018 USD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES	
Proceeds from sale of investments	2,321,216
Purchase of investments	(19,248,900)
Cash received from capital reduction	542,161
Income distribution from investments at FVTPL	70,821
Interest received from deposits with a licensed financial institution	7,171
Other income received	679
Manager's fee paid	(72,755)
Trustee's fee paid	(6,571)
Payment of other fees and expenses	(12,751)
Net realised gain on forward foreign currency contracts	6,751
Net realised foreign currency exchange gain	12,807
Net cash used in operating and investing activities	(16,379,371)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from creation of units	20,085,960
Payment for cancellation of units	(3,260,589)
Net cash generated from financing activities	16,825,371
NET INCREASE IN CASH AND CASH EQUIVALENTS	446,000
CASH AND CASH EQUIVALENTS AT THE DATE OF COMMENCEMENT	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	446,000
Cash and cash equivalents comprises the following:	
Cash at bank	446,000

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

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 between UOB Asset Management (Malaysia) Berhad ("the Manager") and Deutsche Trustees Malaysia Berhad ("the Trustee") (collectively referred to as "Deeds").

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 26 October 2018.

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 the historical cost basis except as disclosed in the accounting policies below and are presented in United States Dollar ("USD").

2.2 Changes in accounting policies

Standards issued but not yet effective

The Fund has not yet adopted the MFRS and amendments to MFRS that have been issued but not yet effective as at the reporting date. The Manager expects that the adoption of these MFRS and amendments which have been issued but not yet effective will have no material impact on the financial statements in the period of initial application except as described below. The Fund is in the process of assessing financial implication for adopting the MFRS 9.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

Standards issued but not yet effective (continued)

MFRS 9 Financial Instruments ("MFRS 9")

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

The standard introduces new requirements for classification and measurement of financial assets and liabilities, impairment of financial assets, and hedge accounting.

MFRS 9 Financial Instruments: Classification and measurement

MFRS 9 has three measurement categories - amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income (without recycling to profit or loss). All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For financial liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in the profit or loss, unless this creates an accounting mismatch.

MFRS 9 Financial Instruments: Impairment

The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income (with recycling to profit or loss) and certain loan commitments as well as financial guarantee contracts. At initial recognition, allowance for impairment is required for expected credit losses ('ECL'). In the event of a significant increase in credit risk, allowance for impairment is required for ECL resulting from all possible default events over the expected life of the financial instrument. The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

Standards issued but not yet effective (continued)

MFRS 9 Financial Instruments: Hedge Accounting

The Fund has not applied hedge accounting under MFRS 139 nor will it apply hedge accounting under MFRS 9.

2.3 Summary of significant accounting policies

(a) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable incremental costs of acquisition or issue.

The Fund determines the classification of its financial assets at initial recognition, and the categories include financial assets at FVTPL and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading by the Fund include fixed income securities acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net unrealised gain/(loss) on changes in fair value of investments at FVTPL' and 'Net unrealised gain/(loss) on forward foreign currency contracts'.

For investment in foreign collective investment schemes, fair value is determined based on the closing net asset value per unit of the foreign collective investment schemes. The difference between the cost and fair value is treated as unrealised gain or loss and is recognised in the profit or loss. Unrealised gains or losses recognised in the profit or loss are not distributable in nature.

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(a) Financial assets (continued)

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes cash at bank in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

Financial assets are derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition, the difference between the carrying amount and the sum of the consideration received is recognised in the profit or loss.

(b) Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that its financial assets carried at amortised cost is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Fund considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(c) 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 collective investment schemes, 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.

(d) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of financial liabilities.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include the amount due to Manager and amount due to Trustee are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

(e) Derivative financial instruments

Derivatives are financial assets or liabilities at fair value through profit or loss 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 set out in Note 2.3(a)(i).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(f) 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.

(g) 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.

(h) Unitholders' capital

Unitholders' capital of the Fund meets the definition of puttable instruments classified as equity instruments under the revised MFRS 132 Financial Instruments: Presentation and is classified as equity instruments. Any distribution to unitholders is recorded as a reduction from retained earning within equity.

(i) Distribution of income

Distribution of income is made at the discretion of the Manager. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the period in which it is approved.

(j) Cash and cash equivalents

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

(k) 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 has been declared with the right to receive the income established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of significant accounting policies (continued)

(l) Net asset value attributable to unitholders

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

(m) 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.

(n) 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.

(o) 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. 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.

3. INVESTMENTS

	2018
	USD
Investments designated as FVTPL:	
- foreign collective investment schemes	16,265,272

3. INVESTMENTS (CONTINUED)

	23.10.2017 to 31.08.2018 USD
Net loss on investments at FVTPL comprised:	
- net realised loss on sale of investments at FVTPL	(21,132)
- net unrealised loss on changes in fair values	(99,119)
	(120,251)

Investments designated as FVTPL as at 31 August 2018 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 %
COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
United Income Focus Trust - USD Distribution Class ("Target Fund")	15,715,238	16,364,391	16,265,272	98.09
SHORTFALL OF FAIR VALUE OVER COST:				
- UNREALISED FAIR VALUE LOSS		(99,119)		
TOTAL INVESTMENTS AT FVTPL		16,265,272		

4. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 8 forward foreign currency contracts outstanding.

The notional principal amount of the outstanding forward foreign currency contracts amounted to USD13,266,900.

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.

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 MANAGER

	2018 USD
Cancellation of units	(39,415)
Manager's fee payable	(8,078)
	(47,493)

The normal credit period for the Manager’s fee payable is one month.

6. AMOUNT DUE TO TRUSTEE

	2018 USD
Trustee’s fee payable	779

Amount due to Trustee represents Trustee’s fee payable.

7. UNITHOLDERS’ EQUITY

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 rate used for this purpose shall be the bid foreign exchange rate 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 2018, the multi-class ratio used in apportionment for MYR Hedged Class is 74.29, SGD Hedged Class is 7.78 and USD Class is 17.93.

7. UNITHOLDERS' EQUITY (CONTINUED)

Net asset value attributable to unitholders is represented by:

	Note	2018 USD
Unitholders' capital		
- MYR HEDGED CLASS	(a)	12,438,664
- SGD HEDGED CLASS	(b)	1,346,513
- USD CLASS	(c)	3,000,653
		16,785,830
Accumulated loss		
- Realised loss	(d)	(29,618)
- Unrealised loss	(e)	(174,405)
		(204,023)
Total equity, representing NAV attributable to unitholders		16,581,807

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

	Units	2018 USD
At the date of commencement	-	-
Creation of units during the financial period	53,974,533	13,310,663
Cancellation of units during the financial period	(3,479,485)	(871,999)
At the end of the financial period	50,495,048	12,438,664

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 August 2018.

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

	Units	2018 USD
At the date of commencement	-	-
Creation of units during the financial period	2,473,704	1,854,142
Cancellation of units during the financial period	(693,985)	(507,629)
At the end of the financial period	1,779,719	1,346,513

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 August 2018.

7. UNITHOLDERS' EQUITY (CONTINUED)

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

	Units	2018 USD
At the date of commencement	-	-
Creation of units during the financial period	4,911,996	4,921,155
Cancellation of units during the financial period	(1,931,947)	(1,920,502)
At the end of the financial period	2,980,049	3,000,653

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 August 2018.

(d) ACCUMULATED LOSS - REALISED

	2018 USD
At the date of commencement	-
Total comprehensive loss for the financial period	(204,023)
Net unrealised loss attributable to investments and others held transferred to unrealised reserve	174,405
Net decrease in realised reserve for the financial period	(29,618)
At the end of the financial period	(29,618)

(e) ACCUMULATED LOSS - UNREALISED

	2018 USD
At the date of commencement	-
Net unrealised loss attributable to investments and others held transferred to unrealised reserve:	
- Investments at FVTPL	(99,119)
- Forward foreign currency contracts	(75,411)
- Foreign currency exchange	125
	(174,405)
At the end of the financial period	(174,405)

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% 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% per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

8. MANAGER'S FEE (CONTINUED)

As the Fund is investing in the Target Fund, the Target Fund Manager's fee is charged at 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% per annum of the net asset value of the Fund, calculated on a daily basis; subject to a minimum fee of RM15,000 per annum, excluding foreign custodian fees and charges.

The Trustee's fee provided in the financial statements is 0.06% per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

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 35 of the Income Tax Act ("ITA"), 1967. 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, 1967. Pursuant to Section 61(1)(b) of the ITA, 1967, gains from realisation of investment will not be treated as income of the Fund and hence are not subject to income tax. In accordance with Sections 61 and 63B of the ITA, 1967, interest income and gain on sale of investment are exempted from tax.

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

	23.10.2017 to 31.08.2018 USD
Net loss before taxation	(204,023)

10. INCOME TAX EXPENSE (CONTINUED)

	23.10.2017 to 31.08.2018 USD
Taxation at Malaysian statutory rate of 24%	(48,966)
Tax effects of:	
Income not subject to tax	(23,442)
Loss not deductible for tax purposes	46,960
Restriction on tax deductible expenses for funds	20,330
Expenses not deductible for tax purposes	5,118
Tax expense for the financial period	-

11. 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 2018 are as follows:

Investment Manager of the Target Fund	Value of Trade USD	Percentage of Total Trade %	Brokerage Fees USD	Percentage of Total Brokerage Fees %
UOB Asset Management Ltd, Singapore**	21,570,117	100.00	-	-

** A company related to the Manager.

The directors of the Manager are of the opinion that any transactions with related parties 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 parties have been transacted at arm's length basis.

12. MANAGEMENT EXPENSE RATIO ("MER")

	23.10.2017 to 31.08.2018 %
Manager's fee*	0.52
Trustee's fee	0.05
Other expenses	0.12
Total MER	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.

13. PORTFOLIO TURNOVER RATIO ("PTR")

	23.10.2017 to 31.08.2018
PTR (times)	0.70

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

14. 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 schemes, are classified as financial asset at FVTPL which are measured at fair value;

(ii) the Fund's other financial asset, comprising cash at bank are classified as loans and receivables which are measured at amortised cost;

(iii) all of the Fund's financial liabilities, comprising the amount due to Manager and amount due to Trustee, are classified as other financial liabilities which are measured at amortised cost; and

(iii) the Fund's forward foreign currency contracts are derivatives which are measured at FVTPL.

	Financial assets at FVTPL USD	Loans and receivables at amortised cost USD	Financial liabilities at amortised cost USD	Derivatives at FVTPL USD	Total USD
2018					
Assets					
Investments	16,265,272	-	-	-	16,265,272
Cash at bank	-	446,000	-	-	446,000
Total financial assets	16,265,272	446,000	-	-	16,711,272

14. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

	Financial assets at FVTPL USD	Loans and receivables at amortised cost USD	Financial liabilities at amortised cost USD	Derivatives at FVTPL USD	Total USD
Liabilities					
Foreign forward currency contracts	-	-	-	75,411	75,411
Amount due to Manager	-	-	47,493	-	47,493
Amount due to Trustee	-	-	779	-	779
Total financial liabilities	-	-	48,272	75,411	123,683

(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
2018				
Financial instruments				
Foreign collective investment schemes	-	16,265,272	-	-

(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 Manager
• Amount due to Trustee

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.

15. 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. If one of the markets which the Fund invests in suffers a downturn or instability due to economic and/or political conditions, the possible adverse impact on the Fund's value may be softened by the fact that the Fund is also invested in other markets that are not experiencing similar downturn or instability. In the event the downturn or instability affects multiple markets within the region or globally, the benefits of diversification in multiple markets enjoyed by the Fund will be reduced as each of the markets it invests in experiences the downturn or instability.

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

	2018
	USD
Investments at FVTPL	16,265,272

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 RM	Impact on net income after taxation and net asset value RM
2018			
	-5	15,452,008	(813,264)
	0	16,265,272	-
	5	17,078,536	813,264

(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.

(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.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Currency risk (continued)

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 unrealized 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.

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

	2018 USD
MYR	
Forward foreign currency contracts	(70,922)
Cash at bank	234,776
	163,854
SGD	
Forward foreign currency contracts	(4,489)
Cash at bank	56,511
	52,022

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.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Currency risk (continued)

	Change in foreign exchange rate %	Impact on net income after taxation and net asset value USD
2018		
MYR	+5	8,193
	-5	(8,193)
SGD	+5	2,601
	-5	(2,601)

(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.

16. 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 Note 7(a) to (c).

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

17. COMPARATIVE FIGURES

There are no comparative figures presented as this is the Fund's first set of annual financial statements since its commencement on 23 October 2017.

CORPORATE INFORMATION

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)**
Auditor of the Fund	**Ernst & Young**
Tax Advisers of the Fund	**Deloitte Tax Services Sdn Bhd**
Solicitor	**Wei Chien & Partners**
Investment Manager of the Target Fund	**UOB Asset Management Ltd, Singapore**
Sub-Manager of the Target Fund	**Wellington Management Singapore Pte Ltd**

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