



# United Global Technology Fund

**Quarterly Report  
31 October 2018**



# UNITED GLOBAL TECHNOLOGY FUND

## GENERAL INFORMATION ABOUT THE FUND

### Commencement Date

United Global Technology Fund (the "Fund") was launched on 23 October 2017 and the initial offer period was 21 days, up to 12 November 2017. The Fund commenced investment on 13 November 2017.

### Fund Category and Type

Fund Category - Wholesale (Feeder Fund)

Fund Type - Growth

### Name of Target Fund

Target Fund - T. Rowe Price Funds SICAV - Global Technology Equity Fund (the "Target Fund")

### Investment Objective, Policy and Strategy of the Fund

#### Investment Objective of the Fund

The Fund seeks to provide Long Term capital appreciation by investing in the T. Rowe Price Funds SICAV - Global Technology Equity Fund ("Target Fund") which invests in a diversified portfolio of stocks of global technology companies.

#### Investment Policy and Strategy

The Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund's 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

MSCI All Country World Information Technology Index.

## Permitted Investments

Unless otherwise prohibited by the relevant regulatory authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund is permitted under the Deed to invest in the following:

- (1) the Target Fund or a collective investment scheme;
- (2) money market instruments;
- (3) deposits;
- (4) financial derivatives instruments, including but not limited to options, futures contracts, forward contracts and swaps, for hedging purposes; and
- (5) any other investment as may be agreed between the Manager and the Trustee from time to time.

## Classes of Units

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

## Distribution Policy

Subject to the availability of income, distribution is incidental. Distribution of income will only be made from realised gains or realised income.

## Mode of Distribution

Distribution declared (if any) will be automatically reinvested into the Unit Holders' accounts in the form of additional Units in the Fund at no cost.

The distribution declared will be reinvested based on the NAV per Unit at the end of the Business Day of the income declaration date.

**MANAGER'S REPORT – UNITED GLOBAL TECHNOLOGY FUND  
 QUARTERLY REPORT  
 [1 August 2018 To 31 October 2018]**

**United Global Technology Fund - MYR Class**

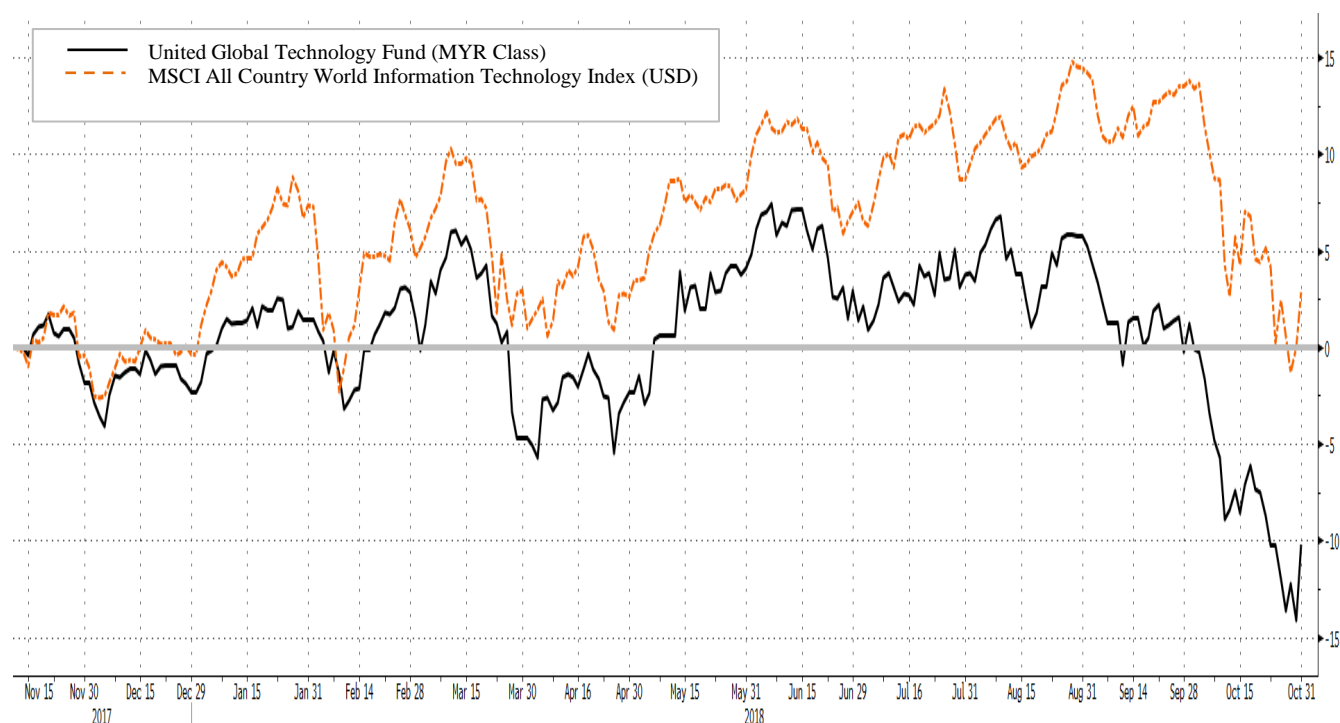
**Fund Performance Review**

For the period under review, the United Global Technology Fund (MYR Class) registered a negative return of 13.44%, underperforming the benchmark return of -5.69%.

**Fund Performance Data (as at 31 October 2018)**

	1 - month	3 - months	6 - months	1 year	YTD	Since inception (13 November 2017)
United Global Technology Fund (MYR Class)	-9.95%	-13.44%	-8.10%	N/A	-8.05%	-10.20%
Benchmark: MSCI All Country World Information Technology Index (USD)	-9.47%	-5.69%	-0.49%	N/A	2.60%	1.57%

Source: UOBAM(M), Bloomberg as at 31 October 2018



Source: UOBAM(M), Bloomberg as at 31 October 2018

Note: The performance of the Fund is benchmarked against the MSCI All Country World Information Technology Index.

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

<b>United Asian High Yield Fund - MYR Class</b>	<b>As at 31 October 2018</b>
Net Asset Value (RM million)	3.06
Units In Circulation (million)	14.74
Net Asset Value Per Unit (RM)	0.8980
Highest Net Asset Value Per Unit (RM)	1.0743
Lowest Net Asset Value Per Unit (RM)	0.8586

### **United Global Technology Fund - USD Class**

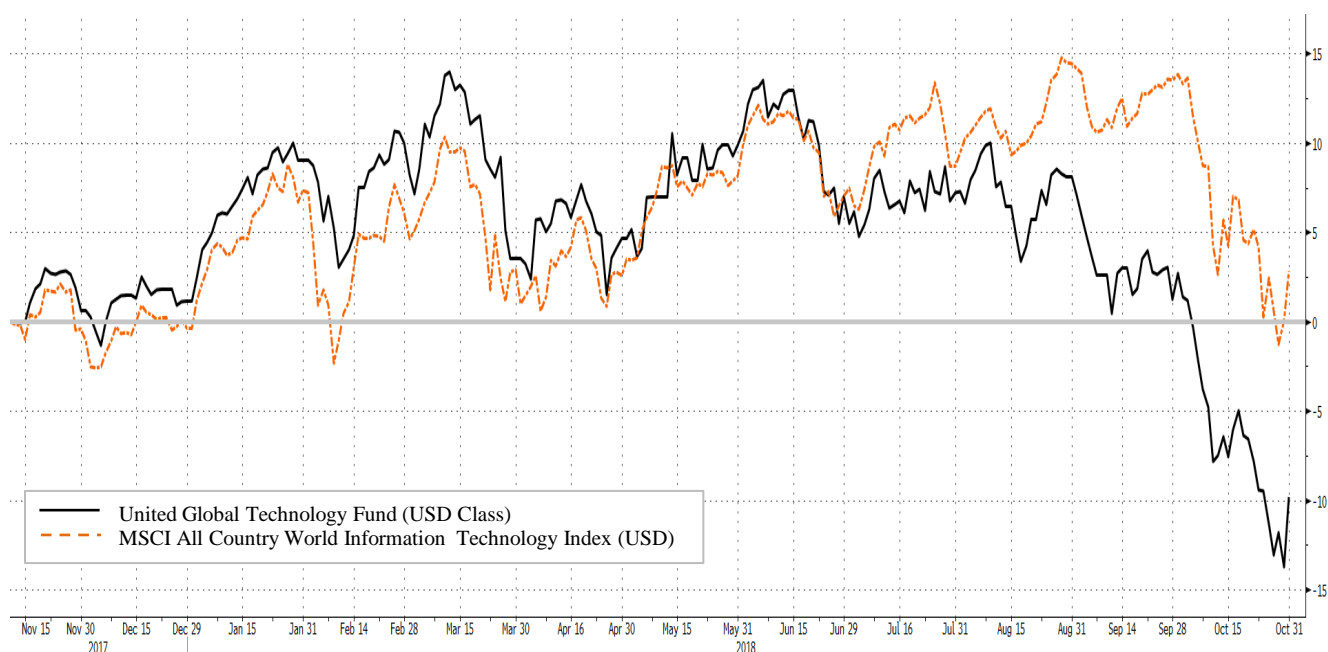
#### **Fund Performance Review**

For the period under review, the United Global Technology Fund (USD Class) registered a negative return of 15.92%, underperforming the benchmark return of -5.69%.

#### **Fund Performance Data (as at 31 October 2018)**

	1 - month	3 - months	6 - months	1 year	YTD	Since inception (13 November 2018)
United Global Technology Fund (USD Class)	-10.94%	-15.92%	-13.87%	N/A	-10.91%	-9.85%
Benchmark: MSCI All Country World Information Technology Index (USD)	-9.47%	-5.69%	-0.49%	N/A	2.06%	1.57%

Source: UOBAM(M), Bloomberg as at 31 October 2018



Source: UOBAM(M), Bloomberg as at 31 October 2018

Note: The performance of the Fund is benchmarked against the MSCI All Country World Information Technology Index.

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

<b>United Global Technology Fund - USD Class</b>	<b>As at 31 October 2018</b>
Net Asset Value (USD million)	3.86
Units In Circulation (million)	4.28
Net Asset Value Per Unit (USD)	0.9015
Highest Net Asset Value Per Unit (USD)	1.1398
Lowest Net Asset Value Per Unit (USD)	0.8626

### **United Global Technology Fund - MYR Hedged Class**

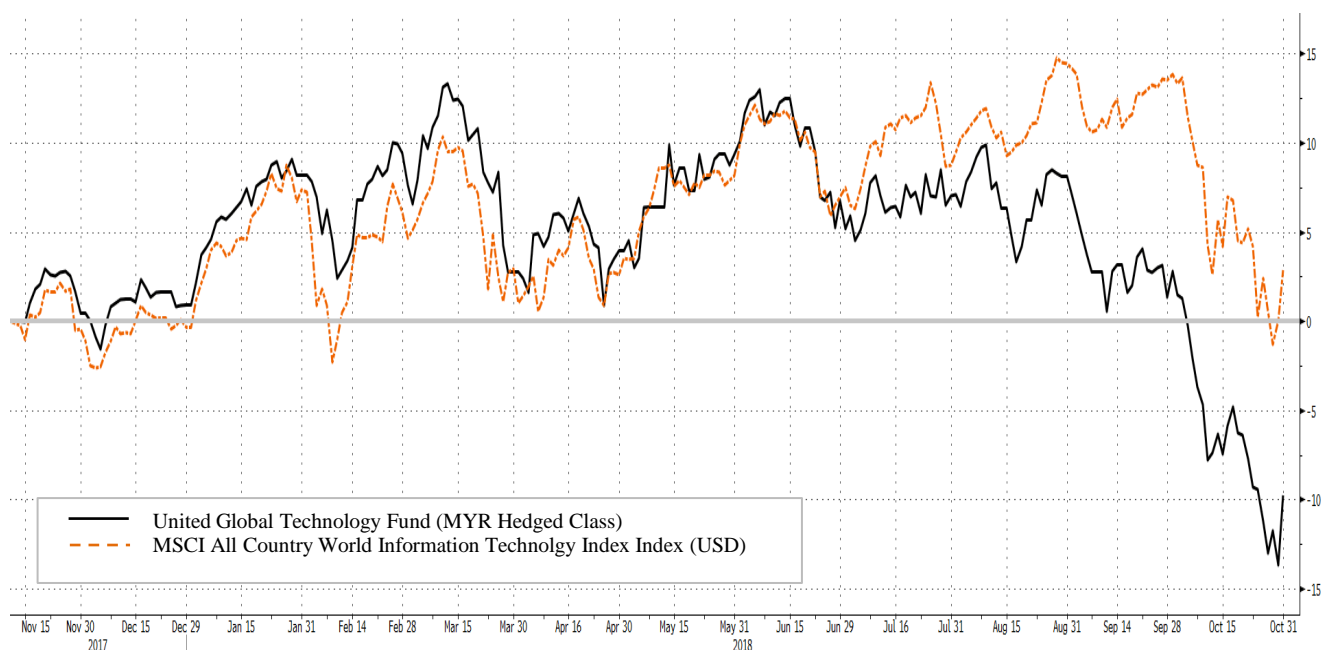
#### **Fund Performance Review**

For the period under review, the United Global Technology Fund (MYR Hedged Class) registered a negative return of 15.72%, underperforming the benchmark return of -5.69%.

#### **Fund Performance Data (as at 31 October 2018)**

	1 - month	3 - months	6 - months	1 year	YTD	Since inception (13 November 2018)
United Global Technology Fund (MYR Hedged Class)	-10.96%	-15.72%	-13.27%	N/A	-10.61%	-9.79%
Benchmark: MSCI All Country World Information Technology Index (USD )	-9.47%	-5.69%	-0.49%	N/A	2.06%	1.57%

Source: UOBAM(M), Bloomberg as at 31 October 2018



Source: UOBAM(M), Bloomberg as at 31 October 2018

Note: The performance of the Fund is benchmarked against the MSCI All Country World Information Technology Index.

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

<b>United Asian High Yield Fund - MYR Hedged Class</b>	<b>As at 31 October 2018</b>
Net Asset Value (MYR million)	74.43
Units In Circulation (million)	82.51
Net Asset Value Per Unit (MYR)	0.9021
Highest Net Asset Value Per Unit (MYR)	1.1333
Lowest Net Asset Value Per Unit (MYR)	0.8633

### **T. Rowe Price Funds SICAV - Global Technology Equity Fund (Target Fund)**

#### **Target Fund Performance Review**

The T. Rowe Price SICAV Global Technology Equity Fund underperformed the MSCI All Country World Information Technology index for the three months ended October 31, 2018.

Stock selection in semiconductors detracted most from relative results, though the portfolio's sizable overweight in this subsector also weighed on performance. An uncertain macroeconomic outlook and concerns about slowing demand, coupled with higher leverage after the acquisition of Microsemi, pressured Microchip Technology's shares. The Sub-Investment Manager (i.e. T. Rowe Price Associates, Inc) maintain their view that Microchip Technology's exposure to favorable end-markets and improving pricing dynamics can drive revenue growth over the long haul. The Sub-Investment Manager also like the company's history of profitability, even during previous down-cycles, and believe the addition of Microsemi could yield meaningful cost synergies. Shares of leading semiconductor capital equipment companies Lam Research and Applied Materials also pulled back on fears that macro headwinds and weakness in memory prices would prompt customers to slow their spending. These worries were ostensibly confirmed when both companies lowered their sales guidance.

Stock selection and a material overweight in Internet also hurt returns. Shares of China's leading Internet companies fell on concerns about trade and political tensions with the United States of America ("U.S."). For Tencent Holdings, these macro worries were compounded by regulatory changes that have delayed the approval of new video game titles, potentially through year-end. Despite these uncertainties, the Sub-Investment Manager believes that the company is one of the region's best-positioned mobile Internet companies and that its popular social and gaming platforms' high penetration and usage rates will help to drive ancillary growth opportunities. In the case of Alibaba Group Holding, the Sub-Investment Manager expects its investments in cloud services and offline retail to pay off over the long term by expanding the company's total addressable market. The top ecommerce player in China has also amassed rich data on user behavior across its different service, creating ample opportunity for monetization.

Stock picks in software weighed on returns, with an underweight position also hampering performance, albeit to a lesser extent. Proofpoint's shares sold off after the cybersecurity company posted third-quarter results that disappointed on the top line, announced the resignation of its recently hired chief operating officer, and reported 2019 guidance that called for slowing revenue growth. The Sub-Investment Manager believes the company's suite of leading email security solutions stands to benefit from strong demand growth as hackers increasingly target this vulnerability. Despite recent challenges, the Sub-Investment Manager values Proofpoint's software-as-a-service model, high-quality management team, and ongoing investment to address emerging threats. Electronic Arts' stock sold off after the company released disappointing revenue guidance for its fiscal second quarter and then reduced its full-year outlook to reflect lower expectations for mobile games and the launch of Battlefield V. The share price



## Target Fund Performance Review (continued)

tumbled further in October, pressured by broad-based weakness in technology stocks in the first half of the month and then post-earnings concerns that shifts in the company's business mix could make it harder to deliver on fiscal 2019 guidance. Regardless of this near-term risk, the leading video game publisher owns many popular franchises, and its profit margins should expand as the industry transitions to digital distribution.

There were no meaningful contributors at the subsector level.

*Source: T.Rowe Price Associate*

## Target Fund Performance Data (as at 31 October 2018)

	1- month	3 - months	6 - months	1 year	YTD	Since 13 November 2017
<b>T. Rowe Price Funds SICAV- Global Technology Equity Fund (USD)</b>	-11.07%	-15.82%	-12.99%	-8.70%	-9.55%	-8.98%
<b>Benchmark: MSCI All Country World Information Technology (USD)</b>	-9.43%	-5.47%	0.08%	3.91%	2.92%	2.67%

*Source: T.Rowe Price Associate*

## Investment Policy and Strategy employed by the Target Fund

The Fund seeks to attain its objective of long-term capital growth by investing in the common stocks of companies that the Fund Manager expects will generate a majority of their revenues from the development, advancement, and use of technology.

*Source: T.Rowe Price Associate*

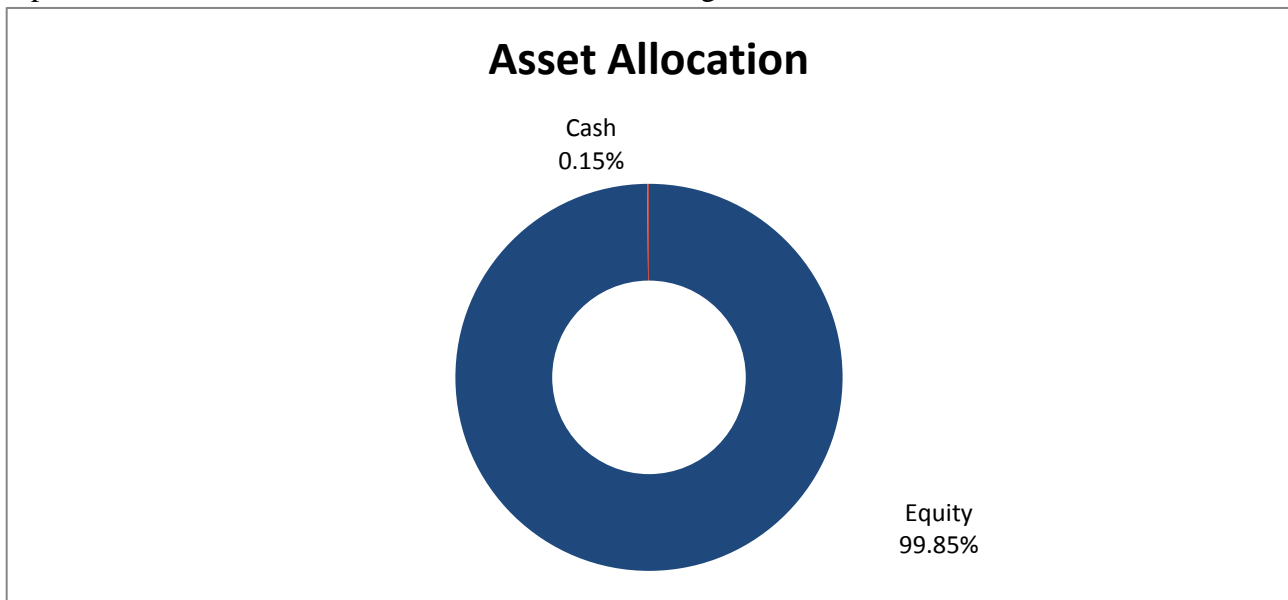
## PORTFOLIO STRUCTURE

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

	<b>As at 31 October 2018</b>
	<b>%</b>
Collective investment scheme	98.76
Cash	1.24
<b>Total</b>	<b>100.00</b>

## PORTFOLIO STRUCTURE (continued)

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



Source: T.Rowe Price Associate

## OTHER MATTER

- (1) As at 31 October 2018, there was no subscription of units in AUD hedged Class, SGD hedged Class and GBP hedged Class. As such, for the period under review, there was no return for AUD hedged Class, SGD hedged Class and GBP hedged Class.

## Market Review

Despite broad-based selling of technology stocks in October and post-earnings weakness in Alphabet, Amazon.com, and Apple, valuations in the sector remained bifurcated at the end of this three-month period. Shares of many fast-growing software firms still traded at frothy valuations, thanks to a continuing upsurge in corporate IT spending. Meanwhile, semiconductor stocks traded at discounted valuations that reflected investor concerns about the broader economic cycle, trade tensions, and inventory levels. The fortunes of global tech giants have also diverged. Facebook has struggled, and shares of China's dominant Internet firms have fallen sharply due to trade tensions and concerns over related weakness in the Chinese economy. A tremendous gap has opened up in relative valuations within the sector, particularly between semiconductor and cloud-based software firms. In the past, the Sub - Investment Manager has not been reluctant to hold a significant overweight in software, but recently the Sub - Investment Manager has found the greater valuation appeal in semis difficult to ignore. It's worth noting that we are not alone: Many software firms have taken advantage of their high stock prices to issue equity-linked convertible bonds, while semiconductor firms are buying back stock aggressively. Moreover, the Sub - Investment Manager believes long-term growth of the semi market remains secure as chips find their way into a broadening array of goods and devices. This repositioning has not paid off for them to date, but the Sub - Investment Manager remains convinced that their continued focus on companies with the best valuations relative to their longer-term prospects eventually will reward their patience.

Source: T.Rowe Price Associate

**UNITED GLOBAL TECHNOLOGY FUND**

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT 31 OCTOBER 2018**

	Note	31.10.2018 USD
<b>ASSETS</b>		
Investments	1	24,512,789
Amount due from Manager		33,165
Cash at banks		580,580
<b>TOTAL ASSETS</b>		<u>25,126,534</u>
<b>LIABILITIES</b>		
Forward foreign currency contracts	2	230,434
Amount due to Trustee		1,323
Tax payable		11,285
Accruals		4,167
<b>TOTAL LIABILITIES</b>		<u>247,209</u>
<b>UNITHOLDERS' EQUITY</b>		
Unitholders' capital		28,831,446
Accumulated loss		(3,952,121)
<b>TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS</b>		<u>24,879,325</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>25,126,534</u>
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>		
- MYR CLASS		3,163,532
- MYR HEDGED CLASS		17,853,883
- USD CLASS		3,861,910
		<u>24,879,325</u>
<b>UNITS IN CIRCULATION</b>		
- MYR CLASS		14,736,871
- MYR HEDGED CLASS		82,787,475
- USD CLASS		4,284,027
<b>NET ASSET VALUE PER UNIT IN USD</b>		
- MYR CLASS		0.2147
- MYR HEDGED CLASS		0.2157
- USD CLASS		0.9015
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- MYR CLASS (MYR)		0.8980
- MYR HEDGED CLASS (MYR)		0.9021
- USD CLASS (USD)		0.9015

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

## UNITED GLOBAL TECHNOLOGY FUND

### STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER OF 1 AUGUST 2018 TO 31 OCTOBER 2018

	<b>01.08.2018 to 31.10.2018 USD</b>
<b>INVESTMENT LOSS</b>	
Interest income from deposits with a licensed financial institution	4,780
Net loss on investments at fair value through profit or loss ("FVTPL")	
- net realised gain on sale of investments at FVTPL	6,535
- net unrealised loss on changes in fair value	(4,559,172)
Net realised loss on forward foreign currency contracts	(499,907)
Net realised loss on foreign currency exchange	(23,839)
Net unrealised loss on forward foreign currency contracts	(12,823)
Net unrealised gain on foreign currency exchange	270
	<u>(5,084,156)</u>
<b>EXPENSES</b>	
Manager's fee	(123,789)
Trustee's fee	(4,127)
Auditors' remuneration	(459)
Tax agent's fee	(207)
Other expenses	(628)
	<u>(129,210)</u>
<b>NET LOSS BEFORE TAXATION</b>	(5,213,366)
Tax expense	<u>(7,015)</u>
<b>NET LOSS AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<u>(5,220,381)</u>
Net loss after taxation is made up of the following:	
Realised amount	(648,656)
Unrealised amount	(4,571,725)
	<u>(5,220,381)</u>

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

## UNITED GLOBAL TECHNOLOGY FUND

### STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED) FOR THE QUARTER OF 1 AUGUST 2018 TO 31 OCTOBER 2018

	<b>Unitholders' capital USD</b>	<b>Accumulated loss USD</b>	<b>Total net asset value USD</b>
Balance as at 1 August 2018	27,091,876	1,268,260	28,360,136
Movement in net asset value: Total comprehensive loss for the financial period	-	(5,220,381)	(5,220,381)
Creation of units			
- MYR CLASS	142,567	-	142,567
- MYR HEDGED CLASS	3,900,280	-	3,900,280
- USD CLASS	143,893	-	143,893
Cancellation of units			
- MYR CLASS	(311,822)	-	(311,822)
- MYR HEDGED CLASS	(1,993,564)	-	(1,993,564)
- USD CLASS	(141,784)	-	(141,784)
Balance as at 31 October 2018	<u>28,831,446</u>	<u>(3,952,121)</u>	<u>24,879,325</u>

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

**UNITED GLOBAL TECHNOLOGY FUND**

**STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER OF 1 AUGUST 2018 TO 31 OCTOBER 2018**

	<b>01.08.2018 to 31.10.2018 USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>	
Proceed from sale of investments	181,116
Purchase of investments	(2,090,000)
Interest income received from deposits with a licensed financial institution	4,780
Manager's fee paid	(125,875)
Trustee's fee paid	(4,196)
Payment of other fees and expenses	(569)
Net realised loss on forward foreign currency contracts	(499,907)
Net realised loss on foreign currency exchange	(23,839)
Net cash used in operating and investing activities	<u>(2,558,490)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from creation of units	4,478,993
Payment for cancellation of units	(2,490,335)
Net cash generated from financing activities	<u>1,988,658</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(569,832)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	1,150,412
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>580,580</u>
Cash and cash equivalents comprise the following:	
Cash at banks	<u>580,580</u>

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

**UNITED GLOBAL TECHNOLOGY FUND**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**

**1. INVESTMENTS**

	<b>31.10.2018</b>
	<b>USD</b>
Investments designated as FVTPL:	
- foreign collective investment schemes	<u>24,512,789</u>
	<b>01.08.2018</b>
	<b>to</b>
	<b>31.10.2018</b>
	<b>RM</b>
Net loss on investments at FVTPL comprised:	
- net realised gain on sale of investments at FVTPL	6,535
- net unrealised loss on changes in fair value	<u>(4,559,172)</u>
	<u>(4,552,637)</u>

Investments designated as FVTPL as at 31 October 2018 are as follows:

Name of Counter	Quantity	Cost USD	Fair value USD	Fair value expressed as a percentage of value of the Fund %
<b>COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
T. Rowe Price Funds SICAV - Global Technology Equity Fund ("Target Fund")	2,104,102	<u>28,470,402</u>	<u>24,512,789</u>	<u>98.53</u>
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>		<u>28,470,402</u>	<u>24,512,789</u>	<u>98.53</u>
<b>SHORTFALL OF FAIR VALUE OVER COST :</b>				
<b>- UNREALISED LOSS ON FAIR VALUE</b>		(3,957,613)		
<b>TOTAL INVESTMENTS AT FVTPL</b>		<u>24,512,789</u>		

## 2. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 4 forward foreign currency contracts outstanding.

The notional principal amount of the outstanding forward foreign currency contracts amounted to USD19,852,030.

The forward foreign currency contracts entered into were for hedging against the currency exposure arising from the subscriptions in other classes denominated in MYR.

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.

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

	<b>01.08.2018</b> to <b>31.10.2018</b> %
Manager's fee	0.45
Trustee's fee	0.02
Total MER	<u>0.47</u>

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>01.08.2018</b> to <b>31.10.2018</b>
PTR (times)	<u>0.04</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 August 2018 to 31 October 2018 is unaudited.



## **CORPORATE INFORMATION**

<b>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>Auditor of the Fund</b>	Ernst & Young (AF0039)
<b>Tax Advisers for the Fund</b>	Deloitte Tax Services Sdn Bhd
<b>Solicitors</b>	Wei Chien & Partners

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