



United Closed-End Series - Strategic Recovery Fund

Maturity Report
25 October 2024

UNITED CLOSED-END SERIES - STRATEGIC RECOVERY FUND

GENERAL INFORMATION ABOUT THE FUND

Commencement Date

United Closed-End Series - Strategic Recovery Fund (the “Fund”) was launched on 17 February 2023 and the offer period was 21 days commencing from 17 February 2023 to 9 March 2023.

Fund Category and Type

Fund Category - Structured Product (Wholesale closed-end)

Fund Type - Income

Investment Objective, Policy and Strategy of the Fund

Investment Objective of the Fund

The Fund seeks to provide investors with income and capital preservation.

Any material change to the Fund’s investment objective would require Unit Holders’ approval.

Investment Policy and Strategy

The Fund seeks to achieve its investment objective by investing up to 100% of the Fund’s NAV into structured products, derivatives, money market instruments, deposits and/or cash.

The Fund invests into one or more structured products with exposure to the underlying reference asset. The Fund’s returns from the structured products will be dependent on the performance of the underlying reference asset. In the event the price of the underlying reference asset increases from the Commencement Date, the Fund will receive a positive return at the Maturity Date from the structured products. In the event the price of the underlying reference asset decreases from the Commencement Date, the Fund will not receive any return from the structured products at the Maturity Date but may receive a return of the principal invested unless there is an event of default. (Note: The Fund is not a capital guaranteed nor a capital protected fund.) Please refer to the Information of the Fund section below for more information.

Capital preservation may only be achieved if the investments of the Fund are held until the Maturity Date and there is no event of default by the counterparty. Any early redemption from the Fund prior to Maturity Date may result in a substantial loss as unwinding of the Fund’s position in the structured products may result in a substantial loss. Investors who redeem prior to the Maturity Date will be subjected to the marked-to-market price of the Fund’s investments which could be at a substantial loss and investors may be in a capital loss position and not receive the full amount of capital invested. Investors who remain invested until the Maturity Date may receive a return of their principal invested unless there is an event of default.

Each of the structured products has its own targeted maturity and exposes investors to the price fluctuation of the underlying reference asset. As a result, any fluctuation in the price of the structured product may also lead to fluctuations in the NAV of the Fund i.e., the price may go up or drop accordingly if the price of the structured product falls. In addition, the structured products in which the Fund invests may be early terminated by the counterparty if there is an occurrence of any of the early termination events at any time prior to the Maturity Date. Please refer to Chapter 2: Risk Factors for additional information on the risks of investing in the Fund.

As the structured products are provided by an external party, the structured products are subject to counterparty risk, which we will seek to mitigate by carrying out a stringent selection process on the counterparty prior to an investment being made. The Fund will only invest in structured products that is issued by a counterparty with a minimum long-term credit rating of investment grade. If the counterparty's credit rating is downgraded below the minimum long term credit rating above, the Manager will have the discretion to dispose of the investments held by the Fund (on a best effort basis) or maintain the investment if it is in the best interest of the Unit Holders.

For the Fund's investments in MYR-denominated money market instruments, the issuer of the money market instruments invested must have at least a long term credit rating of A3 by RAM or its equivalent as rated by a recognized rating agency; or short term credit rating of P2 by RAM or its equivalent as rated by a recognized rating agency at the point of investment. If the issuer's credit rating of the money market instruments falls below the minimum rating, the Fund may dispose of the investments. However, the Manager reserves the right to maintain the investment if they are of the view that the downgrade is a temporary event or if it is in the best interest of Unit Holders.

We may use various forms of derivatives including options, futures contracts, forward contracts or swaps as part of its investment strategy with the aim to provide potential additional income. In the event of a downgrade in the rating of a counterparty of an OTC derivative, the Manager reserves the right to deal with the OTC derivative in the best interest of the Unit Holders.

We may take defensive positions that may be inconsistent with the Fund's investment strategy in attempting to respond to adverse economic, political or any market conditions including downgrade in the rating of the financial institution and/or counterparty of the derivative. In such circumstances, the Manager may allocate up to 100% of the Fund's NAV into money market instruments, deposits and/or cash, which are defensive in nature. In this scenario, we may opt to early terminate the Fund.

Asset Allocation

Up to 100% of the Fund's NAV into structured products, derivatives, money market instruments, deposits and/or cash.

Performance Benchmark

12-months fixed deposit rate quoted by Malayan Banking Berhad as at the Commencement Date of the Fund.

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. structured products;
2. money market instruments;
3. deposits and cash;
4. derivatives; and
5. any other form of investments as may be agreed upon us and the trustee from time to time which is in line with the Fund's objective.

Distribution Policy

Subject to the level of income generated, distribution (if any) will be made at maturity.

Mode of Distribution

Distribution will be paid to you by way of transfer into a bank account held in your name together with the maturity proceeds.

**MANAGER’S REPORT – UNITED CLOSED-END SERIES - STRATEGIC RECOVERY FUND
MATURITY REPORT
[1 AUGUST 2024 TO 25 OCTOBER 2024 (DATE OF COMPLETION OF FUND TERMINATION)]**

FUND MATURITY

United Closed-End Series - Strategic Recovery Fund had matured on 20 September 2024.

MARKET REVIEW

The Fund was invested in structure notes linked to banking stocks, with an allocation between Chinese and Singaporean banks. The investments into CCB and Citic provided exposure to China’s financial sector, which benefited from the relatively defensive stance of Chinese banks amid economic uncertainty following the country’s slower-than-expected post-COVID reopening. The Fund also benefited from investors’ preference for dividend-paying stocks, supported by attractive yields over China’s one-year treasury yields.

This rotation towards dividend-focused investments was evident, as Hang Seng High Dividend Yield Index outperformed its benchmark, the Hang Seng Index, by approximately 6% during the Fund’s investment period. Additionally, the Fund’s exposure to Singapore’s financial sector through DBS and OCBC was advantageous. The delay in the US Fed rate cuts eased pressure on net interest margin (NIM), providing a favourable environment for Singaporean banking stocks. Furthermore, markets have priced in faster-than-expected increase in wealth management fee income, further supporting the Fund’s returns.

Source: UOB Asset Management (Malaysia) Berhad ("UOBAM(M)")

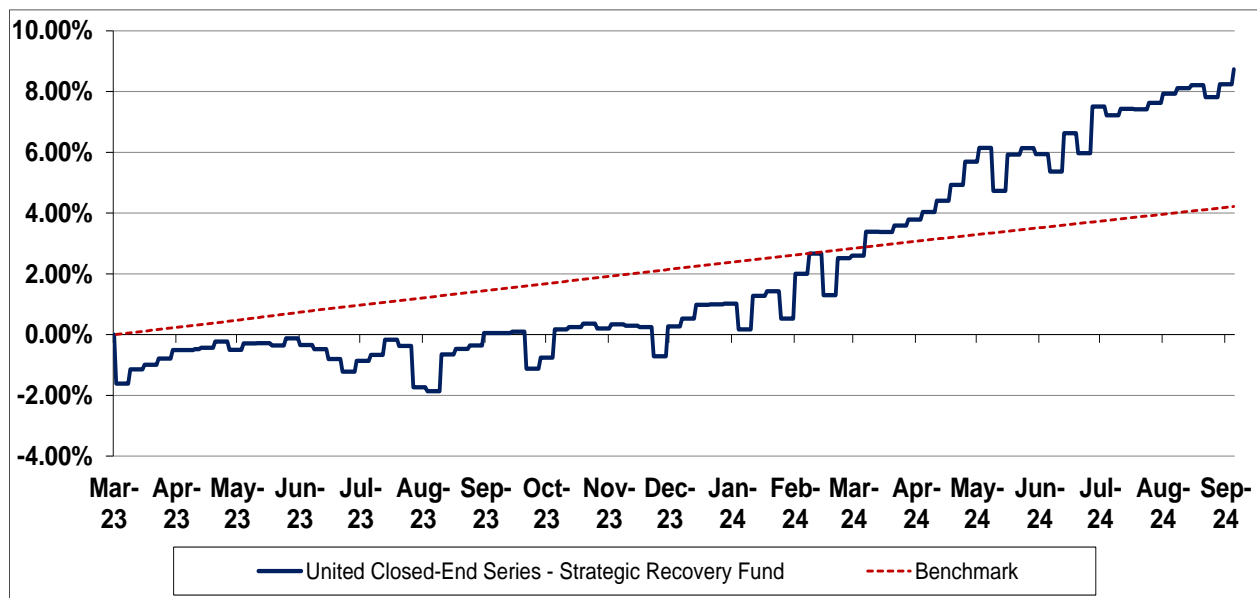
FUND PERFORMANCE REVIEW

The Fund has generated a return of 8.73% (NAV to NAV), outperforming its benchmark of 4.22%.

PERFORMANCE DATA [as at 20 September 2024 (date of maturity)]

	1 month	3 months	6 months	1 year	YTD	1 Aug 2024 to 20 Sep 2024 (date of maturity)	Since commencement (17 Mar 2023)
United Closed-End Series - Strategic Recovery Fund	0.74%	2.63%	5.97%	8.68%	7.67%	1.21%	8.73%
Benchmark*	0.22%	0.65%	1.31%	2.70%	1.91%	0.36%	4.22%

**12-months fixed deposit rate quoted by Malayan Banking Berhad as at the Commencement Date of the Fund.*



Source: UOBAM(M), as at 20 September 2024 (date of maturity)

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

United Closed-End Series - Strategic Recovery Fund	As at 20 September 2024 (date of maturity)
Net Asset Value (RM million)	48.01
Units In Circulation (million)	44.16
Net Asset Value Per Unit (RM)	1.0873
Highest Net Asset Value Per Unit (RM)	1.0873
Lowest Net Asset Value Per Unit (RM)	1.0742

PORTFOLIO STRUCTURE

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

	As at 20 September 2024 (date of maturity)
	%
Structured Product	0
Cash	100
Total	100

UNITED CLOSED-END SERIES - STRATEGIC RECOVERY FUND

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 25 OCTOBER
2024 (DATE OF COMPLETION OF FUND TERMINATION)**

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TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND (“Fund”)

We have acted as Trustee of the Fund for the first financial period from 1 August 2024 to 25 October 2024 (date of completion of Fund termination) and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, UOB Asset Management (Malaysia) Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
20 December 2024

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

STATEMENT BY MANAGER

I, **Lim Suet Ling**, being the Director of and on behalf of the Board of Directors of UOB Asset Management (Malaysia) Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements 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 Closed-End Series – Strategic Recovery Fund** as at 25 October 2024 (date of completion of Fund termination) and of its financial performance, changes in net asset value and cash flows for the financial year then ended and comply with requirements of the Deed(s).

For and on behalf of the Manager,
UOB Asset Management (Malaysia) Berhad

LIM SUET LING
Executive Director/
Chief Executive Officer

20 December 2024

**Independent auditors' report to the unitholders of
United Closed-End Series – Strategic Recovery Fund**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of United Closed-End Series - Strategic Recovery Fund ("the Fund"), which comprise the statement of financial position of the Fund as at 25 October 2024 (date of completion of Fund termination), 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 1 August 2024 to 25 October 2024 (date of completion of Fund termination) and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 32.

In our opinion, the accompanying financial statements, which have been prepared on a basis other than that of a going concern as disclosed in Note 2.1 to the financial statements, give a true and fair view of the financial position of the Fund as at 25 October 2024 (date of completion of Fund termination) and of its financial performance and cash flows for the financial period from 1 August 2024 to 25 October 2024 (date of completion of Fund termination), in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

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.

**Independent auditors' report to the unitholders of
United Closed-End Series – Strategic Recovery Fund**

Report on the audit of the financial statements (continued)

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

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. As described in Note 2.1 to the financial statements, the financial statements have been prepared on a basis other than that of a going concern.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also 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 Closed-End Series – Strategic Recovery Fund**

Report on the audit of the financial statements (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. As described in Note 2.1 to the financial statements, the financial statements have been prepared on a basis other than that of a going concern; and
- 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 Closed-End Series – Strategic Recovery Fund**

Report on the audit of the financial statements (continued)

Other Matter

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework by the Securities Commission Malaysia, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Yeo Beng Yean
No. 03013/10/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
20 December 2024

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 25 OCTOBER 2024 (DATE OF COMPLETION OF FUND TERMINATION)**

	Note	25.10.2024	31.07.2024
		RM	RM
ASSETS			
Investments	3	-	47,439,550
Amount due from brokers		48,013,612	52,921
Other receivables		4	-
Cash at bank		46	46
TOTAL ASSETS		<u>48,013,662</u>	<u>47,492,517</u>
LIABILITIES			
Amount due to Manager	5	-	52,921
TOTAL LIABILITIES		<u>-</u>	<u>52,921</u>
UNITHOLDERS' EQUITY			
Unitholders' capital	6	48,013,662	44,153,678
Retained earnings/(accumulated losses)	6	-	3,285,918
TOTAL EQUITY, REPRESENTING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS	6	<u>48,013,662</u>	<u>47,439,596</u>
TOTAL EQUITY AND LIABILITIES		<u>48,013,662</u>	<u>47,492,517</u>
UNITS IN CIRCULATION		<u>44,158,615</u>	<u>44,158,615</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0873</u>	<u>1.0743</u>

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

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 25 OCTOBER 2024
(DATE OF TERMINATION)**

		01.08.2024 to 25.10.2024	17.03.2023 to 31.07.2024
	Note	RM	RM
INVESTMENTS INCOME/(LOSS)			
Other income		4	-
Net gain/(loss) on investments at fair value through profit or loss (“FVTPL”):	3		
- net realised gain/(loss) on sale of investments at FVTPL		3,855,044	4,936
- net unrealised gain/(loss) on changes in fair value	6(c)	<u>(3,280,982)</u>	<u>3,280,982</u>
		<u>574,066</u>	<u>3,285,918</u>
NET INCOME/(LOSS) BEFORE TAXATION		574,066	3,285,918
Tax expense	8	<u>-</u>	<u>-</u>
NET INCOME/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		<u>574,066</u>	<u>3,285,918</u>
Net income/(loss) after taxation is made up of the following:			
Realised amount	6(b)	3,855,048	4,936
Unrealised amount	6(c)	<u>(3,280,982)</u>	<u>3,280,982</u>
		<u>574,066</u>	<u>3,285,918</u>

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

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 25 OCTOBER 2024
(DATE OF COMPLETION OF FUND TERMINATION)**

	Unitholders’ capital RM	Retained earnings/ (accumulated losses) RM	Total net asset value RM
Balance as at 17 March 2023 (date of commencement)	-	-	-
Movement in net asset value: Total comprehensive income/(loss) for the financial period	-	3,285,918	3,285,918
Creation of units	44,979,646	-	44,979,646
Cancellation of units	(825,968)	-	(825,968)
Balance as at 31 July 2024	<u>44,153,678</u>	<u>3,285,918</u>	<u>47,439,596</u>
Balance as at 01 August 2024	44,153,678	3,285,918	47,439,596
Movement in net asset value: Total comprehensive income/(loss) for the financial period	-	574,066	574,066
Transferred from realised reserve as at date of termination	3,859,984	(3,859,984)	-
Balance as at 25 October 2024 (date of completion of Fund termination)	<u>48,013,662</u>	<u>-</u>	<u>48,013,662</u>

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

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

STATEMENT OF CASH FLOWS

**FOR THE FINANCIAL PERIOD FROM 1 AUGUST 2024 TO 25 OCTOBER 2024
(DATE OF COMPLETION OF FUND TERMINATION)**

	01.08.2024 to 25.10.2024 RM	17.03.2023 to 31.07.2024 RM
CASH FLOWS GENERATED FROM/(USED IN) OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	52,921	773,048
Purchase of investments	-	(44,979,601)
Net cash generated from/(used in) operating and investing activities	<u>52,921</u>	<u>-</u> <u>(44,206,553)</u>
CASH FLOWS GENERATED FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from creation of units	-	44,979,646
Payment for cancellation of units	<u>(52,921)</u>	<u>(773,047)</u>
Net cash generated from/(used in) financing activities	<u>(52,921)</u>	<u>44,206,599</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-	46
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/ DATE OF COMMENCEMENT	<u>46</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>46</u>	<u>46</u>
Cash and cash equivalents comprises the following:		
Cash at bank	<u>46</u>	<u>46</u>

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

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

NOTES TO THE FINANCIAL STATEMENTS

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

The United Closed-End Series – Strategic Recovery Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 26 January 2023 between UOB Asset Management (Malaysia) Berhad (“the Manager”) and Deutsche Trustees Malaysia Berhad (“the Trustee”).

The Fund seeks to provide investors with income and capital preservation. The Fund was launched on 17 February 2023 and commenced for operation on 17 March 2023. As provided in the Deed, the accrual period or financial year shall end on 31 July 2024. The Fund is a wholesale closed-end fund with the maturity date set to be on 20 September 2024.

On 4 October 2024, a notice of maturity was issued to the unitholders of the Fund, informing them that the Fund matured on 20 September 2024. Following the completion of audit review, the maturity proceeds were disbursed on 25 October 2024.

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

The financial statements were authorised for issue by the Manager on 20 December 2024.

2. ACCOUNTING POLICY INFORMATION

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”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Based on the provisions in the Trust Deed, the Trustee and the Manager have determined the maturity date of this closed-end fund to be on 20 September 2024. The termination of the Fund was subsequently completed on 25 October 2024. Accordingly, the financial statements of the Fund have been prepared on a basis other than that of a going concern. Where appropriate, the carrying values of the assets are written down to their recoverable amounts and liabilities are recorded to the extent that such costs were committed at the end of the reporting period. All assets and liabilities have been classified as current.

The financial statements are presented in Ringgit Malaysia (“RM”).

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

2. ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Changes in accounting policies

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

2.3 Material accounting policy information

(a) Financial instruments

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

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

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

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

Classification

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

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

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

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

2. ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Material accounting policy information (continued)

(a) Financial instruments (continued)

Financial assets

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

(i) Financial assets measured at amortised cost

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

(ii) Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss if:

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

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

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

2. ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Material accounting policy information (continued)

(a) Financial instruments (continued)

Financial liabilities

(i) Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund currently does not hold such financial liabilities.

(ii) Financial liabilities measured at amortised cost

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

Impairment of financial assets

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

Derecognition of financial assets and financial liabilities

A financial asset is derecognised when:

- (i) The contractual rights to receive cash flows from the financial assets have expired;
- (ii) The Fund has transferred its contractual rights to received cash flows from the financial assets or have assumed contractual obligation to pay the received cash flows in full without material delay to one or more third parties under a “pass through” arrangement; and either:

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

2. ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Material accounting policy information (continued)

(a) Financial instruments (continued)

Derecognition of financial assets and financial liabilities (continued)

A financial asset is derecognised when: (continued)

- (a) the Fund has transferred substantially all the risks and rewards of ownership of the financial assets; or
- (b) the Fund has neither transferred nor retained substantially all the risks and rewards, but has transferred control of the financial assets.

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

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

(b) Classification of realised and unrealised gains and losses

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

Interest on deposits which have not matured as at the reporting date are classified as realised income in the financial statements.

(c) 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 RM, which is also the Fund's functional currency.

(d) 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 earnings within equity.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

2. ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Material accounting policy information (continued)

(e) 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.

(f) Cash and cash equivalents

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

(g) 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 deposit with 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.

(h) Net asset value attributable to unitholders

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

(i) 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.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

2. ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Material accounting policy information (continued)

(j) 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.

(k) 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.

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

	25.10.2024	31.07.2024
	RM	RM
Net gain/(loss) on investments at FVTPL comprised:		
- net realised gain/(loss) on sale of investments at FVTPL	3,855,044	4,936
- net unrealised gain/(loss) on changes in fair value	(3,280,982)	3,280,982
	<u>574,062</u>	<u>3,285,918</u>

4. AMOUNT DUE FROM/(TO) BROKERS

Amount due from/to brokers relates to the amount receivable/payable from/to brokers arising from the sale/purchase of investments. The settlement period is within two business days from the deal date.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

5. AMOUNT DUE FROM/(TO) MANAGER

	25.10.2024	31.07.2024
	RM	RM
Cancellation of units	-	(52,921)
	<u>-</u>	<u>(52,921)</u>

6. UNITHOLDERS' EQUITY

Net asset value attributable to unitholders is represented by:

	Note	25.10.2024	31.07.2024
		RM	RM
Unitholders' capital	6(a)	48,013,662	44,153,678
Retained earnings/(accumulated losses)			
- Realised gain/(loss)	6(b)	-	4,936
- Unrealised gain/(loss)	6(c)	-	3,280,982
		<u>-</u>	<u>3,285,918</u>
		<u>48,013,662</u>	<u>47,439,596</u>

Total equity, representing NAV attributable to unitholders

(a) UNITHOLDERS' CAPITAL/UNITS IN CIRCULATION

	Units	25.10.2024	Units	31.07.2024
		RM		RM
At the beginning of the financial year/date of commencement	44,158,615	44,153,678	-	-
Creation of units during the financial period	-	-	44,979,646	44,979,646
Cancellation of units during the financial period	-	-	(821,031)	(825,968)
Transferred from realised reserve as at the date of termination	-	3,859,984	-	-
At the end of the financial period	<u>44,158,615</u>	<u>48,013,662</u>	<u>44,158,615</u>	<u>44,153,678</u>

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

6. UNITHOLDERS' EQUITY (CONTINUED)

(b) RETAINED EARNINGS/(ACCUMULATED LOSSES) - REALISED

	25.10.2024	31.07.2024
	RM	RM
At the beginning of the financial period/date of commencement	4,936	-
Total comprehensive income/(loss) for the financial period	574,066	3,285,918
Net unrealised (gain)/loss attributable to investments and others held transferred to unrealised reserve	3,280,982	(3,280,982)
Realised reserve as at the date of termination transferred to unitholder's capital	(3,859,984)	-
Net increase/(decrease) in realised reserve for the financial period	(4,936)	4,936
At the end of the financial period	<u>-</u>	<u>4,936</u>

(c) RETAINED EARNINGS/(ACCUMULATED LOSSES) - UNREALISED

	25.10.2024	31.07.2024
	RM	RM
At the beginning of the financial period/date of commencement	3,280,982	-
Net unrealised gain/(loss) attributable to investments and others held transferred to unrealised reserve		
- Investments at FVTPL	(3,280,982)	3,280,982
At the end of the financial period	<u>-</u>	<u>3,280,982</u>

7. 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 0.06% per annum of the net asset value of the Fund, subject to a maximum of RM25,000 (an upfront fee) (excluding foreign sub-custodian fee and charges, where applicable) for the duration of the Fund.

Trustee's fee of the Fund is borne by the Fund Manager. There is no Trustee's fee charged to the Fund.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

8. INCOME TAX EXPENSE

Income from deposit placements is exempted from tax in accordance with Schedule 6, Paragraph 35 of the Income Tax Act, 1967 (“ITA”), subject to certain exclusion. Income derived from sources outside Malaysia and received in Malaysia is not exempted from tax. 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/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	01.08.2024 to 25.10.2024 RM	17.03.2023 to 31.07.2024 RM
Net income/(loss) before taxation	<u>574,066</u>	<u>3,285,918</u>
Taxation at Malaysian statutory rate of 24%	137,776	788,620
Tax effects of:		
(Income not subject to tax)/loss not deductible for tax purposes	<u>(137,776)</u>	<u>(788,620)</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

9. TRANSACTIONS WITH RELATED AND OTHER LICENSED FINANCIAL INSTITUTIONS

Details of transactions with related and other financial institutions for the financial period from 1 August 2024 to 25 October 2024 are as follows:

	Brokerage fees RM	Percentage of total trade %
Financial institutions		
Maybank Investment Bank Berhad	48,013,612	100.00

10. PORTFOLIO TURNOVER RATIO (“PTR”)

	01.08.2024 to 25.10.2024	17.03.2023 to 31.07.2024
PTR (times)	0.50	0.51

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.

11. 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 material accounting policy information 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 structured notes, are classified as financial assets at FVTPL which are measured at fair value;
- (ii) the Fund’s financial assets, comprising amount due from brokers and cash at bank, are classified as other financial assets which are measured at amortised cost;
- (iii) the Fund’s financial liabilities, comprising amount due to Manager, are classified as other financial liabilities which are measured at amortised cost.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

11. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Derivatives at FVTPL RM	Total RM
25.10.2024				
Financial assets				
Amount due from brokers	-	48,013,612	-	48,013,612
Cash at bank	-	46	-	46
Total financial assets	-	48,013,658	-	48,013,658
31.07.2024				
Financial assets				
Investments	47,439,550	-	-	47,439,550
Amount due from brokers	-	52,921	-	52,921
Cash at bank	-	46	-	46
Total financial assets	47,439,550	52,967	-	47,492,517
Financial liabilities				
Amount due to Manager	-	52,921	-	52,921
Total financial liabilities	-	52,921	-	52,921

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

11. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial instruments that are carried at fair value

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

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

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

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

(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:

- Amount due from brokers
- Amount due from/(to) Manager
- Cash at bank

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.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk, credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instrument, 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 may affect the market prices of the financial instruments of the Fund and hence the NAV of the Fund. Market conditions are generally affected by, amongst others, social environment, political and economic stability.

The Fund is exposed to market risk on its investments in structured notes. Market risk is managed through monitoring of the interest rate environment as well as the creditworthiness of the counterparty financial institutions.

(b) Credit risk

Credit concentration risk is associated with the number of underlying investments or financial institutions which a Fund invests in or places deposits with. For example a Fund which invests its assets in a single underlying instrument or places deposits with a single institution is more risky compared to a Fund with two or more underlying investments or institutions. This is because if the single issuer/financial institution default, it would have a significant impact to that Fund.

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Analysis of the Fund's financial instruments which are exposed to credit risk by rating agency designation is as follows:

	Investments in Structured Notes RM	Cash at bank RM	Other financial assets* RM	Total RM	As a percentage of NAV %
25.10.2024					
AA1	-	46	-	46	-*
Non-rated	-	-	48,013,612	48,013,612	100.00
	-	46	48,013,612	48,013,658	100.00
31.07.2024					
AAA	47,439,550	-	-	47,439,550	100
AA1	-	46	-	46	-*
Non-rated	-	-	-	-	0.11
	47,439,550	46	-	47,439,596	100.11

* Comprise amount due from brokers.

The financial assets of the Fund are neither past due nor impaired.

(c) Liquidity risk

This is the risk that the Fund will have insufficient cash to meet redemptions by unitholders. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deed. The Manager monitors the Fund's liquidity position on a daily basis.

Where necessary, the Manager can withdraw its placements ahead of the contractual maturity dates to meet its liquidity requirements.

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

- (i) 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.

UNITED CLOSED-END SERIES – STRATEGIC RECOVERY FUND

13. 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 period are disclosed in Notes 6(a).

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

14. COMPARATIVE FIGURES

The financial statements are for the financial period from 1 August 2024 to 25 October 2024 (date of completion of Fund termination). The comparative amounts for the financial statements and the related notes are for the financial period from 17 March 2023 to 31 July 2024. Accordingly, the comparative amounts for the statement of comprehensive income, statement of changes in net assets attributable to unitholders, statement of cash flows and the related notes are not comparable.

CORPORATE INFORMATION

Manager

UOB Asset Management (Malaysia) Berhad
199101009166 (219478-X)

**Registered &
Principal Office**

Level 20, UOB Plaza 1
7 Jalan Raja Laut
50350 Kuala Lumpur

Tel: 03-2779 0011 Fax: 03-2602 1011

Website: www.uobam.com.my

Board of Directors

Mr Cheah Shu Kheem
Mr Thio Boon Kiat
(alternate to Mr Cheah Shu Kheem)
Ms Fan Lee Boey
Mr Seow Voon Ping
Puan Zalinah binti A Hamid
Dato' Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar
Ms Lim Suet Ling (Executive Director & CEO)

Trustee

Deutsche Trustees Malaysia Berhad
200701005591 (763590-H)

Auditor of the Fund

Ernst & Young PLT

Tax Adviser of the Fund

Deloitte Tax Services Sdn Bhd

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