

United ESG Advanced ETF Series

➤ UOB APAC Green REIT ETF

Annual Report

for the financial year ended
30 June 2023



Right By You

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Edmund Leong Kok Mun

Lam Sai Yoke (Resigned 15 March 2023)

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

State Street Bank and Trust Company, acting through its Singapore Branch

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

UOB APAC Green REIT ETF

(Constituted under a Trust Deed in the Republic of Singapore)

A) Fund Performance

	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 23 November 2021 Ann Comp Ret
Fund Performance/ Benchmark Returns							
UOB APAC Green REIT ETF	-1.14	-4.19	-7.13	N/A	N/A	N/A	-13.94
Benchmark	-0.66	-3.48	-5.82	N/A	N/A	N/A	-12.62

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.

The benchmark of the Fund: iEdge-UOB APAC Yield Focus Green REIT Index.

The investment objective of the Fund aims to replicate as closely as possible, before expenses, the performance of the iEdge-UOB APAC Yield Focus Green REIT Index ("Index"). During the review period as of 30 June 2023, the Fund tracks closely with the Index. UOB APAC Green REIT ETF (the "Fund") fell 7.13% for the 12 months ended 30 June 2023. The Index was down 5.82% for the 12 months ended 30 June 2023.

Contributors to performance include **Stockland REIT Npv (Australia)**, **Mirvac Group REIT (Australia)** and **Keppel DC REIT (Singapore)**. The key detractors from performance were **Link Real Estate Investment Trust (Hong Kong)**, **Nippon Building Fund Inc REIT (Japan)** and **DexusIAU REIT (Australia)**.

As of 30 June 2023, the Fund had the following regional asset allocation: **Australia** (39.63%), **Japan** (31.00%), **Singapore** (25.80%) and **Hong Kong** (4.79%).

Economic and Market Review

In light of the challenges posed by rising inflation and interest rates in 2022, the REITs markets have exhibited signs of stabilisation in 1H 2023. For the period of review, Asia Pacific (APAC) REITs experienced fluctuations in performance, influenced by various economic and market factors.

In July 2022, they outperformed global equities, particularly Australian REITs, which rose significantly. This was due to expectations of a rate hike by the Reserve Bank of **Australia**. However, in August, REITs dropped following a hawkish message from the US Federal Reserve, leading to volatility in the market. Concerns about rising interest rates, inflationary pressure, and the global economic outlook continued to affect market sentiment throughout the period. September saw a significant decline in APAC REITs, with **Australia** and **Hong Kong** being the worst-performing markets. The overall third-quarter performance was negative. In October, REITs fell marginally with subsequent rebound in November. December saw a mixed performance, with **Hong Kong** and **Japan** REITs performing well, driven by expectations of economic re-openings and changes in monetary policy.

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A) Fund Performance (continued)

In January 2023, global REITs outperformed, while APAC REITs underperformed due to a weaker USD and concerns about **China's** economic recovery. In February, APAC REITs outperformed equities despite declines in **Hong Kong** and **Singapore** REITs due to equity fundraisings. However, non-traditional sectors, such as **Australia's** self-storage sector, performed well. March saw a decline for both global and APAC REITs due to recession fears and uncertainty in the commercial property market. April's performance was positive for APAC REITs, particularly in **Australia** and **Japan**, due to improved economic and monetary conditions. In May, APAC REITs, except for **Japan**, underperformed due to economic recovery concerns and uncertainty in the **US** banking system.

Throughout the period, the performance of APAC REITs was adversely influenced by factors such as interest rate changes, inflationary pressure, global economic growth outlook, and geopolitical events. APAC REITs along with other yield-sensitive defensive assets bore the brunt of the sector rotation.

During the period of review, we have also observed the worsening impact of climate change effects and physical risks hazards on the real economy among developing and developed markets. This came on the back of the 27th annual UN Conference of Parties (COP27), the formal meeting of the United Nations Framework Convention on Climate Change (UNFCCC) Parties. COP27 focused on goals of mitigation, adaptation, finance and collaboration. From COP27, Asian countries achieved some important milestones as part of COP27 discussions. The increased focus on both mitigation and adaptation from COP27 could provide long-term potential and opportunities in clean energy, carbon markets and adaptation strategies.

Outlook and Fund Strategy

Notwithstanding a backdrop of slowing global growth and monetary policy tightening, Asia looks better placed in the near term given its domestic demand resilience. We believe REITs still present an attractive investment proposition from a total return perspective, with a combination of stable dividend yield supported by cash flow and upside potential for capital values.

Effects of climate change are increasingly evident through warmer average temperatures and more extreme weather events. Asia being one of the highly targeted regions with the greatest growth potential, accounts for around 50% of global emissions and this will continue to grow as countries construct more buildings. As policymakers and investors recognise the increase in the severity of the impacts of climate change, we can expect greater initiatives or enhancements in regulatory approaches to incorporate climate related risks in investment decisions.

Driven by growing awareness and adoption of net zero carbon emission set to double in Asia Pacific by 2025, 40% of the real estate occupiers have already adopted net zero targets and another 40% are planning to adopt them by 2025. Furthermore, an increasing number of real estate investors believe that green certification of buildings drives higher occupancy, higher rents, higher tenant retention and overall higher value to the asset, which further driven the demand of green real estate. We believe green REITs will continue to present an attractive investment proposition by delivering both profit and purpose.

UOB APAC Green REIT ETF

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A) Fund Performance (continued)

The Fund aims to replicate as closely as possible, before expenses, the performance of the Index. The Index is reviewed semi-annually in March and September. Results from an Index review are implemented effective on the fourth Monday of the review month. The latest Index review was on 27 March 2023, when the Fund's rebalancing went effective as well to track closely with the Index.

For the latest review on 27th March, there were 6 REITs removed and included.

REITs Removed:

Name	Country	Reason
Nippon Building Fund Inc REIT	Japan	Ranking
Mori Trust Reit Inc	Japan	
Heiwa Real Estate REIT Inc	Japan	
Comforia Residential REIT Inc	Japan	
Mitsui Fudosan Logistics Park Inc	Japan	
Region Group	Australia	

REITs Included:

Name	Country	Reason
CapitaLand Integrated Commercial Trust	Singapore	Ranking
Industrial & Infrastructure Fund Investment Corp REIT	Japan	
Centuria Industrial REIT	Australia	
CapitaLand Ascott Trust	Singapore	
Waypoint REIT	Australia	
Frasers Logistics & Commercial Trust	Singapore	

To deliver profit, the Fund aims to provide 4 percent dividend yield per annum (p.a.) on a semi-annual basis. The ex-date of latest dividend distribution was on 28th June 2023.

To deliver purpose, a "Green Tilting" methodology is applied in index construction process. The Index further seeks to reward constituents with greener credential by applying a green tilting factor. The green tilting factor is decided by REIT's GRESB Environmental score and GRESB overall score concurrently. The weight of the REIT can either increase, reduce or remain unchanged based on how green.

UOB APAC Green REIT ETF integrates sustainability in index construction process. We measure the Fund's green impact from 4 metrics: GHG emission, energy consumption, water consumption and Green building certification, from which the Fund shows a better sustainability performance comparing to the non-green peers.

UOB APAC Green REIT ETF

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2023 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Australia	25,410,459	39.63
Hong Kong	3,068,787	4.79
Japan	19,874,124	31.00
Singapore	16,541,176	25.80
Portfolio of investments	64,894,546	101.22
Other net assets/(liabilities)	(783,562)	(1.22)
Total	64,110,984	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Real Estate	64,894,546	101.22
Portfolio of investments	64,894,546	101.22
Other net assets/(liabilities)	(783,562)	(1.22)
Total	64,110,984	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	64,894,546	101.22
Other net assets/(liabilities)	(783,562)	(1.22)
Total	64,110,984	100.00

iv) Credit rating of quoted bonds

N/A

UOB APAC Green REIT ETF

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C) Top Ten Holdings

10 largest holdings as at 30 June 2023

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
CAPITALAND INTEGRATED COMMERCIAL TRUST	4,843,951	7.56
SCENTRE GROUP REIT	4,152,599	6.48
MIRVAC GROUP REIT	3,867,585	6.03
STOCKLAND REIT NPV	3,792,679	5.92
DEXUS/AU REIT	3,611,752	5.63
VICINITY CENTRES LTD REIT	3,491,461	5.45
GPT GROUP REIT	3,414,529	5.33
JAPAN METROPOLITAN FUND INVESTMENT CORP REIT	2,708,301	4.22
LINK REIT	2,691,846	4.20
CAPITALAND ASCENDAS REIT	2,432,496	3.79

10 largest holdings as at 30 June 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
LINK REIT	5,045,273	7.03
SCENTRE GROUP REIT	4,417,610	6.16
NIPPON BUILDING FUND INC REIT	4,403,751	6.14
DEXUS/AU REIT	4,344,567	6.05
GPT GROUP REIT	3,912,614	5.45
VICINITY CENTRES LTD REIT	3,862,262	5.38
MIRVAC GROUP REIT	3,689,835	5.14
STOCKLAND REIT NPV	3,675,168	5.12
JAPAN REAL ESTATE INVESTMENT CORP	3,045,565	4.24
JAPAN METROPOLITAN FUND INVESTMENT CORP REIT	2,930,220	4.08

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D) Exposure to derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach:

- (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (iii) the sum of the values of cash collateral received under certain cases.

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2023

N/A

ii) There was a net realised gain of SGD 21,685 on derivative contracts during the financial year ended 30 June 2023.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2023

N/A

E) Amount and percentage of NAV invested in other schemes as at 30 June 2023

N/A

F) Amount and percentage of borrowings to NAV as at 30 June 2023

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2023

Total amount of redemptions	SGD	231,780
Total amount of subscriptions	SGD	390,439

H) The amount and terms of related-party transactions for the financial year ended 30 June 2023

Please refer to Note 9 of the Notes to the Financial Statements.

I) Expense ratios

Please refer to Note 10 of the Notes to the Financial Statements.

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J) Turnover ratios

Please refer to Note 10 of the Notes to the Financial Statements.

K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts

N/A

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”)¹ should be disclosed as well

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2023 and 30 June 2022

N/A

ii) Expense ratios for the financial year/period ended 30 June 2023 and 30 June 2022

N/A

iii) Turnover ratios for the financial year/period ended 30 June 2023 and 30 June 2022

N/A

¹ *Where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.*

M) Soft dollar commissions/arrangements

UOB Asset Management has entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The products and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management’s duties to clients. As such services generally benefit all of UOB Asset Management’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on a best execution basis and there was no churning of trades.

N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts

N/A

United ESG Advanced ETF Series
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REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of the sub-fund of United ESG Advanced ETF Series, namely UOB APAC Green REIT ETF (the “Sub-Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Fund during the financial year covered by these financial statements, set out on pages 15 to 44, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
STATE STREET TRUST (SG) LIMITED

Authorised signatory
22 September 2023

United ESG Advanced ETF Series
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STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 15 to 44, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the sub-fund of United ESG Advanced ETF Series, namely UOB APAC Green REIT ETF (the "Sub-Fund") as at 30 June 2023, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT
Authorised signatory
22 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED ESG ADVANCED ETF SERIES

Our Opinion

In our opinion, the accompanying financial statements of the sub-fund of United ESG Advanced ETF Series, namely UOB APAC Green REIT ETF (the "Sub-Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Sub-Fund as at 30 June 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Sub-Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2023;
- the Statement of Financial Position as at 30 June 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2023;
- the Statement of Portfolio as at 30 June 2023; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's 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 audit opinion.

Independence

We are independent of the Sub-Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED ESG ADVANCED ETF SERIES

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular we considered where the Sub-Fund's manager (the "Manager") made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Manager is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Sub-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 terminate the Sub-Fund or to cease the Sub-Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-Fund's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED ESG ADVANCED ETF SERIES

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Sub-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 the 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 Sub-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 auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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 AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED ESG ADVANCED ETF SERIES

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ong King Howe.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 22 September 2023

United ESG Advanced ETF Series
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STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2023

		UOB APAC Green REIT ETF	
		2023	For the financial period from 23 November 2021 (date of inception) to 30 June 2022
	Note	\$	\$
Income			
Dividends		<u>3,457,245</u>	<u>2,455,043</u>
Total		<u>3,457,245</u>	<u>2,455,043</u>
Less: Expenses			
Management fee	9	312,624	217,142
Trustee fee	9	24,186	16,954
Audit fee		34,715	14,465
Registrar fee	9	25,188	18,647
Valuation fee	9	86,840	60,317
Custody fee	9	18,398	14,858
Preliminary expenses		-	173,300
Transaction costs		32,453	77,621
Reimbursement of expenses by the Manager	9	(44,668)	-
Other expenses		<u>113,335</u>	<u>96,286</u>
Total		<u>603,071</u>	<u>689,590</u>
Net income/(losses)		<u>2,854,174</u>	<u>1,765,453</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(7,418,126)	(14,530,089)
Net gains/(losses) on financial derivatives		21,685	151,305
Net foreign exchange gains/(losses)		<u>(73,616)</u>	<u>(221,946)</u>
		<u>(7,470,057)</u>	<u>(14,600,730)</u>
Total return/(deficit) for the financial year/period before income tax		<u>(4,615,883)</u>	<u>(12,835,277)</u>
Less: Income tax	3	<u>(461,103)</u>	<u>(448,542)</u>
Total return/(deficit) for the financial year/period		<u>(5,076,986)</u>	<u>(13,283,819)</u>

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

United ESG Advanced ETF Series
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	UOB APAC Green REIT ETF	
		2023	2022
		\$	\$
Assets			
Portfolio of investments		64,894,546	71,694,798
Sales awaiting settlement		267	-
Receivables	5	759,773	814,672
Cash and bank balances	9	<u>189,738</u>	<u>365,700</u>
Total assets		<u>65,844,324</u>	<u>72,875,170</u>
Liabilities			
Payables	6	394,499	393,191
Distribution payable	4	<u>1,338,841</u>	<u>715,795</u>
Total liabilities		<u>1,733,340</u>	<u>1,108,986</u>
Equity			
Net assets attributable to unitholders	7	<u>64,110,984</u>	<u>71,766,184</u>

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

United ESG Advanced ETF Series
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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2023

		UOB APAC Green REIT ETF	
			For the financial period from 23 November 2021 (date of inception) to 30 June 2022
	Note	2023	
		\$	\$
Net assets attributable to unitholders at the beginning of the financial year/period		71,766,184	-
Operations			
Change in net assets attributable to unitholders resulting from operations		(5,076,986)	(13,283,819)
Unitholders' contributions/(withdrawals)			
Creation of units		390,439	86,684,465
Cancellation of units		(231,780)	(93,720)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		158,659	86,590,745
Distributions	4	(2,736,873)	(1,540,742)
Total increase/(decrease) in net assets attributable to unitholders		(7,655,200)	71,766,184
Net assets attributable to unitholders at the end of the financial year/period	7	64,110,984	71,766,184

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

United ESG Advanced ETF Series
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STATEMENT OF PORTFOLIO

As at 30 June 2023

UOB APAC Green REIT ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary			
Quoted equities			
AUSTRALIA			
BWP TRUST REIT	144,183	470,090	0.73
CENTURIA INDUSTRIAL REIT	121,163	337,359	0.53
CHARTER HALL LONG WALE REIT	107,358	386,669	0.60
CHARTER HALL RETAIL REIT	211,980	687,325	1.07
DEXUS/AU REIT	515,541	3,611,752	5.63
GPT GROUP REIT	918,270	3,414,529	5.33
MIRVAC GROUP REIT	1,905,335	3,867,585	6.03
NATIONAL STORAGE REIT	375,110	791,747	1.23
SCENTRE GROUP REIT	1,744,673	4,152,599	6.48
STOCKLAND REIT NPV	1,047,806	3,792,679	5.92
VICINITY CENTRES LTD REIT	2,106,933	3,491,461	5.45
WAYPOINT REIT	174,814	<u>406,664</u>	<u>0.63</u>
TOTAL AUSTRALIA		<u>25,410,459</u>	<u>39.63</u>
HONG KONG			
FORTUNE REIT	386,000	376,941	0.59
LINK REIT	357,400	<u>2,691,846</u>	<u>4.20</u>
TOTAL HONG KONG		<u>3,068,787</u>	<u>4.79</u>
JAPAN			
ACTIVIA PROPERTIES INC REIT	301	1,134,613	1.77
AEON REIT INVESTMENT CORP REIT	733	1,066,769	1.66
DAIWA HOUSE REIT INVESTMENT CORP	532	1,376,102	2.15
DAIWA OFFICE INVESTMENT CORP	83	486,595	0.76

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

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2023

UOB APAC Green REIT ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary (continued)			
Quoted equities			
JAPAN (continued)			
DAIWA SECURITIES LIVING INVESTMENTS CORP REIT	375	401,765	0.63
FRONTIER REAL ESTATE INVESTMENT CORP REIT	129	565,394	0.88
FUKUOKA REIT CORP	164	254,804	0.40
HULIC REIT INC	537	809,684	1.26
ICHIGO OFFICE REIT INVESTMENT CORP	212	177,496	0.28
INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORP REIT	518	735,435	1.15
JAPAN EXCELLENT INC REIT	501	587,901	0.92
JAPAN METROPOLITAN FUND INVESTMENT CORP REIT	3,003	2,708,301	4.22
JAPAN PRIME REALTY INVESTMENT CORP REIT	236	770,247	1.20
KENEDIX OFFICE INVESTMENT CORP REIT	212	687,946	1.07
KENEDIX RETAIL REIT CORP	146	397,205	0.62
LASALLE LOGIPOINT REIT	736	1,041,496	1.62
MORI HILLS REIT INVESTMENT CORP	679	937,308	1.46
NIPPON REIT INVESTMENT CORP	64	204,685	0.32
NOMURA REAL ESTATE MASTER FUND REIT	1,137	1,768,664	2.76
NTT UD REIT INVESTMENT CORP	561	708,745	1.11
ORIX JREIT INC REIT	691	1,148,013	1.79
SEKISUI HOUSE REIT INC	670	526,444	0.82
TOKYU REIT INC REIT	184	331,369	0.52

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As at 30 June 2023

UOB APAC Green REIT ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary (continued)			
Quoted equities			
JAPAN (continued)			
UNITED URBAN INVESTMENT CORP REIT	769	<u>1,047,143</u>	<u>1.63</u>
TOTAL JAPAN		<u>19,874,124</u>	<u>31.00</u>
SINGAPORE			
CAPITALAND ASCENDAS REIT	894,300	2,432,496	3.79
CAPITALAND ASCOTT TRUST	709,700	766,476	1.20
CAPITALAND INTEGRATED COMMERCIAL TRUST	2,536,100	4,843,951	7.56
ESR LOGOS REIT	977,177	327,354	0.51
FRASERS CENTREPOINT TRUST	248,900	545,091	0.85
FRASERS LOGISTICS & COMMERCIAL TRUST	872,400	1,090,500	1.70
KEPPEL DC REIT	454,400	981,504	1.53
KEPPEL REIT	706,200	635,580	0.99
MAPLETREE INDUSTRIAL TRUST	667,600	1,475,396	2.30
MAPLETREE LOGISTICS TRUST	542,199	878,362	1.37
MAPLETREE PAN ASIA COMMERCIAL TRUST	1,037,700	1,681,074	2.62

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

United ESG Advanced ETF Series
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STATEMENT OF PORTFOLIO

As at 30 June 2023

UOB APAC Green REIT ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary (continued)			
Quoted equities			
SINGAPORE (continued)			
SUNTEC REIT	684,800	<u>883,392</u>	<u>1.38</u>
TOTAL SINGAPORE		<u>16,541,176</u>	<u>25.80</u>
Total Equities		<u>64,894,546</u>	<u>101.22</u>
Portfolio of investments		64,894,546	101.22
Other net assets/(liabilities)		<u>(783,562)</u>	<u>(1.22)</u>
Net assets attributable to unitholders		<u>64,110,984</u>	<u>100.00</u>

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

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2023

	UOB APAC Green REIT ETF	
	Percentage of total net assets attributable to unitholders at 30 June 2023	Percentage of total net assets attributable to unitholders at 30 June 2022
	%	%
By Geography - Primary (Summary)		
Quoted equities		
Australia	39.63	37.28
Hong Kong	4.79	7.83
Japan	31.00	40.40
Singapore	25.80	14.39
Portfolio of investments	101.22	99.90
Other net assets/(liabilities)	(1.22)	0.10
Net assets attributable to unitholders	100.00	100.00

By Industry - Secondary
Quoted equities

The Sub-Fund invests wholly in Real Estate as at 30 June 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

United ESG Advanced ETF Series is a Singapore-registered umbrella fund, which currently offers one sub-fund, namely UOB APAC Green REIT ETF (the “Sub-Fund”). The Sub-Fund is constituted under a Trust Deed between UOB Asset Management Ltd (the “Manager”) and State Street Trust (SG) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

The investment objective of the Sub-Fund is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the iEdge-UOB APAC Yield Focus Green REIT Index.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar and the United States Dollar. Investors may subscribe in the United States Dollar at the applicable rate of exchange from the Singapore Dollar.

2 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP7”) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(c) Investments (continued)

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the year/period in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the financial year/period end date. The quoted market price used for investments held by the Sub-Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

(e) Foreign currency translation

(i) Functional and presentation currency

The performance of the Sub-Fund is measured and reported to the investors in the Singapore Dollar. The Manager considers the Singapore Dollar as the currency of the primary economic environment in which the Sub-Fund operates. The financial statements are presented in the Singapore Dollar, which is the Sub-Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statement of Total Return within "Net gains/losses on investments".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(g) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(h) Cash and bank balances

Cash and bank balances comprise cash at banks which are subject to an insignificant risk of changes in value.

(i) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(j) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. The amount shall not be treated as part of the property of the Sub-Fund. Distributions are accrued for at the financial year/period end date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(k) Preliminary expenses

Preliminary expenses are expensed off in the Statement of Total Return as and when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2 Significant accounting policies (continued)

(I) Income taxes

Current income tax for current year/period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date. The Manager periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Current and deferred income taxes are recognised as income or expenses in the Statement of Total Return, except to the extent that the tax arises from a transaction which is recognised directly in net assets attributable to unitholders.

United ESG Advanced ETF Series
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

3 Income tax

	UOB APAC Green REIT ETF	
	For the financial period from 23 November 2021 (date of inception) to 30 June 2022	
	2023	2022
	\$	\$
Tax expense attributable to profit is made up of:		
- Current income tax	-	-
Singapore income tax	-	-
Add:		
- Singapore income tax	72,192	39,171
- Overseas income tax	388,911	409,371
Total income tax	461,103	448,542

The Sub-Fund is not under the Designated Unit Trust (“DUT”) Scheme or the Enhanced-Tier Fund (“ETF”) Scheme.

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

The overseas income tax represents tax withheld on foreign sourced income.

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

3 Income tax (continued)

(a) Income tax expense

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	UOB APAC Green REIT ETF	
	2023	For the financial period from 23 November 2021 (date of inception) to 30 June 2022
	\$	\$
Profit before tax	<u>(4,615,883)</u>	<u>(12,835,277)</u>
Tax calculated at tax rate of 17%	(784,700)	(2,181,997)
Effects of:		
- expenses not deductible for tax purposes	1,485	29,964
- unutilised tax losses not carried forward	939,986	2,307,181
- income not subject to tax	(156,771)	(155,148)
- others	-	-
Tax charge	<u>-</u>	<u>-</u>

(b) Movements in current income tax liabilities

	UOB APAC Green REIT ETF	
	2023	2022
	\$	\$
Beginning of financial year/period	<u>-</u>	<u>-</u>
End of financial year/period	<u>-</u>	<u>-</u>

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

4 Distributions

UOB APAC Green REIT ETF

For the financial period
from 23 November 2021
(date of inception) to 30
June
2022

	2023			
	Per 100 units	Amount	Per 100 units	Amount
	\$	\$	\$	\$
September interim distribution on units outstanding as at 29 September 2022	0.815	710,261	-	-
December interim distribution on units outstanding as at 29 December 2022	0.789	687,771	-	-
March interim distribution on units outstanding as at n/a* (2022: 1 April 2022)	-	-	0.955	824,947
June final distribution on units outstanding as at 28 June 2023 (2022: 29 June 2022)	1.541	<u>1,338,841</u>	0.826	<u>715,795</u>
		<u>2,736,873</u>		<u>1,540,742</u>

* No interim distributions were declared in March 2023.

5 Receivables

UOB APAC Green REIT ETF

	2023	2022
	\$	\$
Dividends receivable	759,773	814,672

United ESG Advanced ETF Series
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

6 Payables

	UOB APAC Green REIT ETF	
	2023	2022
	\$	\$
Amount due to the Manager	96,594	111,327
Amount due to Trustee	5,880	6,777
Tax payables	256,872	238,397
Other creditors and accrued expenses	35,153	36,690
	<u>394,499</u>	<u>393,191</u>

7 Units in issue

During the financial year/period ended 30 June 2023 and 2022, the numbers of units issued, redeemed and outstanding were as follows:

	UOB APAC Green REIT ETF	
	2023	For the financial period from 23 November 2021 (date of inception) to 30 June 2022
Units at the beginning of the financial year/period	86,700,000	-
Units created	470,000	86,800,000
Units cancelled	(300,000)	(100,000)
Units at the end of the financial year/period	<u>86,870,000</u>	<u>86,700,000</u>
	\$	\$
Net assets attributable to unitholders	64,110,984	71,766,184
Net assets value per unit	0.7380	0.8277

Distributions are accrued for at the financial year/period end date if the necessary approvals have been obtained and a legal or constructive obligation has been created, for the purpose of determining the accounting net asset values in the financial statements.

United ESG Advanced ETF Series
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 Units in issue (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year/period end date is prepared below:

	UOB APAC Green REIT ETF	
	2023	For the financial period from 23 November 2021 (date of inception) to 30 June 2022
	\$	\$
Net assets attributable to unitholders per financial statements per unit	0.7380	0.8277
Effect of preliminary expenses	0.0013	0.0018
Net assets attributable to unitholders for issuing/redeeming per unit	0.7393	0.8295

8 Financial risk management

The Sub-Fund's activities expose it to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Sub-Fund's overall risk management programme seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The Sub-Fund may use financial futures contracts, financial options contracts and/or foreign currency contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Fund at any time as part of the overall financial risk management to reduce the Sub-Fund's risk exposures.

The Sub-Fund's assets principally consist of financial instruments such as equity investments and cash. They are held in accordance with the published investment policies of the Sub-Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve its investment objectives.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Sub-Fund's investments are substantially dependent on changes in market prices and are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Sub-Fund. Guidelines are set to reduce the Sub-Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Sub-Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

The Sub-Fund has monetary financial assets and liabilities denominated in currencies other than the Singapore Dollar and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Sub-Fund.

United ESG Advanced ETF Series
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The tables below summarise the Sub-Fund's exposures to foreign currencies at the end of the financial year/period.

UOB APAC Green REIT ETF

As at 30 June 2023

	AUD \$	HKD \$	JPY \$	SGD \$	Total \$
Assets					
Portfolio of investments	25,410,459	3,068,787	19,874,124	16,541,176	64,894,546
Sales awaiting settlement	-	-	-	267	267
Receivables	510,696	72,446	160,342	16,289	759,773
Cash and bank balances	-	-	-	189,738	189,738
Total Assets	<u>25,921,155</u>	<u>3,141,233</u>	<u>20,034,466</u>	<u>16,747,470</u>	<u>65,844,324</u>
Liabilities					
Payables	229,572	-	25,245	139,682	394,499
Distribution payable	-	-	-	1,338,841	1,338,841
Total Liabilities	<u>229,572</u>	<u>-</u>	<u>25,245</u>	<u>1,478,523</u>	<u>1,733,340</u>
Net currency exposure	<u>25,691,583</u>	<u>3,141,233</u>	<u>20,009,221</u>	<u>15,268,947</u>	

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

UOB APAC Green REIT ETF
As at 30 June 2022

	AUD \$	HKD \$	JPY \$	SGD \$	Total \$
Assets					
Portfolio of investments	26,757,031	5,617,947	28,991,501	10,328,319	71,694,798
Receivables	439,848	115,158	259,666	-	814,672
Cash and bank balances	-	-	-	365,700	365,700
Total Assets	<u>27,196,879</u>	<u>5,733,105</u>	<u>29,251,167</u>	<u>10,694,019</u>	<u>72,875,170</u>
Liabilities					
Payables	197,842	-	40,555	154,794	393,191
Distribution payable	-	-	-	715,795	715,795
Total Liabilities	<u>197,842</u>	<u>-</u>	<u>40,555</u>	<u>870,589</u>	<u>1,108,986</u>
Net currency exposure	<u>26,999,037</u>	<u>5,733,105</u>	<u>29,210,612</u>	<u>9,823,430</u>	

United ESG Advanced ETF Series
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. Other price risk sensitivity analysis includes the impact of foreign exchange risk on non-monetary investments. The Sub-Fund's net financial assets comprise significantly of non-monetary investments, hence foreign exchange risk sensitivity analysis has not been presented on the remaining financial assets, except for the following:

UOB APAC Green REIT ETF

Currency	2023		2022	
	Volatility	Net impact to net assets attributable to unitholders	Volatility	Net impact to net assets attributable to unitholders
	%	\$	%	\$
AUD	8	22,490	8	19,360
JPY	7	9,457	6	13,147

(ii) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The table below summarises the impact of increases/decreases from the Sub-Fund's investments in equities on the Sub-Fund's net assets attributable to unitholders at 30 June 2023 and 2022. The analysis is based on the assumption that the index components within the benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Sub-Fund's investments moved according to the historical correlation with the index.

Benchmark component	2023		2022	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
UOB APAC Green REIT ETF				
iEdge-UOB APAC Yield Focus Green REIT Index	20	12,998,788	20	15,101,238

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Sub-Fund's portfolio investments accordingly. However, the effects of changes in interest rates in the Sub-Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect.

Other than cash and bank balances which are at short term market interest rates, and therefore subject to insignificant interest rate risk, the Sub-Fund's financial assets and liabilities are largely non-interest bearing.

Hence, no sensitivity analysis has been presented separately.

United ESG Advanced ETF Series
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(b) Liquidity risk

The Sub-Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Fund maintains sufficient cash and bank balances and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Sub-Fund's investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments. No such investments were held at the financial year/period end date.

The tables below analyse the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the financial year/period end to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	UOB APAC Green REIT ETF		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2023			
Payables	394,499	-	-
Distribution payable	1,338,841	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2022			
Payables	393,191	-	-
Distribution payable	715,795	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(c) Credit risk

The Sub-Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Sub-Fund's credit risk is concentrated on cash and bank balances and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that is regularly assessed and updated by the Manager.

The table below summarises the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 30 June 2023 and 2022.

The credit ratings are based on the Viability ratings published by Fitch.

UOB APAC Green REIT ETF

	Credit rating as at 30 June 2023	Credit rating as at 30 June 2022
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-

The maximum exposure to credit risk at the financial year/period end date is the carrying amount of the portfolio of investments and cash and bank balances as presented in Statement of Financial Position.

For purposes of impairment assessment, the Sub-Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

(d) Capital management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

8 Financial risk management (continued)

(e) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables analyse within the fair value hierarchy, the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2023 and 2022:

	UOB APAC Green REIT ETF			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2023				
Assets				
Portfolio of investments				
- Quoted equities	<u>64,894,546</u>	-	-	<u>64,894,546</u>
Total	<u>64,894,546</u>	-	-	<u>64,894,546</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2022				
Assets				
Portfolio of investments				
- Quoted equities	<u>70,596,678</u>	-	<u>1,098,120</u>	<u>71,694,798</u>
Total	<u>70,596,678</u>	-	<u>1,098,120</u>	<u>71,694,798</u>

Investment whose values are based on quoted market prices in active markets and therefore classified within Level 1, comprise listed equities. The Sub-Fund does not adjust the quoted price for these instruments.

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For the financial year ended 30 June 2023

8 Financial risk management (continued)

(e) Fair value estimation (continued)

Except for cash and bank balances which are classified as Level 1, the Sub-Fund's assets and liabilities not measured at fair value at 30 June 2023 and 2022 have been classified as Level 2. The assets and liabilities included in the Statement of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

Financial instruments that are suspended and not tradable as at year end are classified within Level 3. In 2022, it comprises the shares of Mapletree North Asia Commercial Trust ("MNACT"). The last day of trading of MNACT was on 8 June 2022 and the trading of the MNACT units were suspended on and from 9:00 a.m. on 9 June 2022, due to the proposed merger of Mapletree Commercial Trust and MNACT by way of a trust scheme of arrangement. The Sub-Fund has taken up the cash consideration for the suspended security during the year ended 30 June 2023.

The Manager's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the financial year.

The following table presents the transfers between levels in the fair value hierarchy for the year/period:

	UOB APAC Green REIT ETF					
	2023			2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$
Transfers between levels 1 and 3						
Quoted equities	-	-	-	(1,098,120)	-	1,098,120

Valuation processes

Portfolio reviews are undertaken regularly by the Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being Level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, the Manager performs back testing and considers actual market transactions. Changes in allocation to or from Level 3 are analysed at the end of each financial year.

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8 Financial risk management (continued)

(e) Fair value estimation (continued)

The following table presents the movement in Level 3 investments for the financial year/period:

	UOB APAC Green REIT ETF	
	2023	2022
	\$	\$
Opening balance	1,098,120	-
Purchases	955,868	-
Sales	(2,054,290)	-
Transfer in/(out) from Level 1 to Level 3	-	1,098,120
Gains and losses recognised in Statement of Total Return	302	-
Closing balance	<u>-</u>	<u>1,098,120</u>

For these Level 3 investments, quantitative unobservable inputs are not developed by the Manager when measuring fair value. There is no significant unobservable inputs used and thus no quantitative analysis would be presented.

Description	Fair value \$	Valuation technique
As at 30 June 2022		
Quoted equities	1,098,120	Last transacted price

There were no Level 3 investments as at 30 June 2023.

The investment in the above table relates to shares which were suspended from trading. Manager has determined the fair value of these Level 3 investments using the last traded price since suspension, having considered the duration of suspension, illiquidity and other specific factors of the investments.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9 Related party transactions

(a) The Manager and the Trustee of the Sub-Fund are UOB Asset Management Ltd and State Street Trust (SG) Limited, respectively. The Manager is a subsidiary of United Overseas Bank Limited while the Trustee is a subsidiary of State Street Bank and Trust Company.

Management fee and valuation fee are paid to the Manager for the financial year/period. Trustee fee is paid to the Trustee while registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch. During the financial year ended 30 June 2023, the Manager has absorbed certain expenses of the Sub-Fund.

These fees paid or payable by the Sub-Fund shown in the Statement of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

(b) As at the end of the financial year/period, the Sub-Fund maintained the following accounts with its related parties:

	UOB APAC Green REIT ETF	
	2023	2022
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	189,738	365,700

(c) The following transactions took place during the financial year/period between the Sub-Fund and related parties at terms agreed between the parties:

	UOB APAC Green REIT ETF	
	2023	2022
	\$	\$
United Overseas Bank Limited		For the financial period from 23 November 2021 (date of inception) to 30 June 2022
Bank charges	1	7

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For the financial year ended 30 June 2023

10 Financial ratios

Prior year disclosure for the Sub-Fund is covering the period from 23 November 2021 (date of inception) to 30 June 2022.

	UOB APAC Green REIT ETF	
	2023	2022
	\$	\$
Total operating expenses (excluding preliminary expenses)	570,618	438,669
Total operating expenses (including preliminary expenses)	570,618	611,969
Average daily net assets value	<u>69,452,404</u>	<u>80,009,390</u>
Expense ratio (excluding preliminary expenses) (annualised) ¹	<u>0.82%</u>	<u>0.90%</u>
Expense ratio (including preliminary expenses) (annualised) ¹	<u>0.82%</u>	<u>1.12%</u>
Lower of total value of purchases or sales	22,708,084	14,403,789
Average daily net assets value	<u>69,452,404</u>	<u>80,009,390</u>
Turnover ratio ²	<u>32.70%</u>	<u>18.00%</u>

1 *The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratio at financial year/period end was based on total operating expenses divided by the average net assets value respectively for the financial year/period. The total operating expenses do not include (where applicable) brokerage and other transactions costs, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net assets value is based on the daily balances.*

2 *The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net assets value.*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

11 Comparative

The financial statements for the Sub-Fund for the current period are for the financial year ended 30 June 2023. The comparatives are for the financial period from 23 November 2021 (date of inception) to 30 June 2022. The comparative figures for Statement of Total Return, Statement of Movement of Unitholders' Funds and related notes are therefore not comparable.

