

United ETF Series 1

➤ UOBAM Ping An ChiNext ETF

Semi Annual Report

for the half year ended
31 December 2023



Right By You

United ETF Series 1

(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

Lim Pei Hong Winston (Appointed 14 August 2023)

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

PRC CUSTODIAN

Industrial and Commercial Bank of China Limited

No.55 FuXingMenNei Street

Xicheng District, Beijing

100140 People's Republic of China

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

UOBAM Ping An ChiNext ETF

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A) Fund Performance

Fund Performance/ Benchmark Returns	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 14 November 2022 Ann Comp Ret
UOBAM Ping An ChiNext ETF	-6.66	-13.81	-21.41	N/A	N/A	N/A	-19.98
Benchmark	-5.98	-14.63	-21.69	N/A	N/A	N/A	-21.09

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: ChiNext Index.

For the six months ending 31 December 2023, the net asset value (NAV) of the Fund fell 13.81% in Singapore dollar (SGD) terms compared to the 14.63% fall for the benchmark ChiNext Index over the same period.

As at 31 December 2023, the Fund had the following sector allocation: Industrials (30.37%), Information Technology (22.94%), Healthcare (22.10%), Financials (7.97%), Materials (6.45%), Consumer Staples (5.49%), Communication Services (2.06%), Consumer Discretionary (0.85%), and Cash (1.77%).

Economic and Market Review

In the six-month period under review ended 31 December 2023, Chinese equities market was volatile. Investors had to reassess the risks and implications as the US and China geopolitical tension deteriorated after the US President lobbied G7 support for investment curbs against China in mid-2023. Further, the already fragile investor sentiment took another hit as market grew increasingly concerned following persistently weak China macro data which missed. This highlighted lingering supply-demand imbalance and prolonged export weakness. At same time the underwhelming China domestic property sector recovery continued to weigh on sentiment.

The economy is still in slow recovery. It remains to be seen if the release of positive policy signals and the implementation of stimulus measures could help to stabilise the economy. In November, the value-add of industries above designated size nationwide increased by 6.6% year-on-year. Affected by seasonal factors, the manufacturing PMI in December dropped to 49%. In November, the CPI was affected by the decline in food and pork prices, recording a year-on-year decrease of 0.5%, while the core CPI growth remained stable. The year-on-year decline in PPI has widened in November, in part attributed to a significant fall in production materials.

UOBAM Ping An ChiNext ETF

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

A) Fund Performance (continued)

In terms of liquidity, the Central Economic Work Conference emphasised strengthening countercyclical and cross-cycle adjustments while placing equal emphasis on the use of fiscal and monetary policies. The central bank has restarted the Pledged Supplemental Lending (PSL) which saw three major policy banks getting a net increase of RMB 350 billion in collateral supplementary loans. The central bank's net investment in Medium Term Lending Facility (MLF) in December was RMB 800 billion. Both the 1Y and 5Y LPRs remain unchanged in December, and it is expected that there is further downside potential for the 5-year LPR.

From its inception on 14 November 2022, the UOBAM Ping An ChiNext ETF tracked the ChiNext Index very closely with only very minor performance deviations that was a result of fees and initial deployment.

Since inception till December 2023, the Fund declined 19.98% (in SGD terms). Its benchmark index also fell by 21.09%.

In December 2023, the ChiNext Index replaced 6 index stocks, among which 4 stocks from Information Technology, 1 stock from Healthcare, 1 stock from Industrials were included, while 3 stocks from Industrials, 1 stock from Information Technology, 1 stock from Consumer Discretionary and 1 stock from Healthcare were removed.

Stocks Included		
Securities code	Securities abbreviation	Industry sector
300114	Zhonghang Electronic Measuring	Information Technology
300394	TFC	Information Technology
300502	Eoptolink	Information Technology
300567	Jingce Electronic	Information Technology
301267	Huaxia Eye	Healthcare
301358	Hunan Yuneng	Healthcare

Stocks Removed		
Securities code	Securities abbreviation	Sector
300088	Token Science	Information Technology
300432	Fulin Precision	Consumer Discretionary
300677	Intco Medical	Healthcare
300850	Xinqianglian	Industrials
301155	Haili Wind Power	Industrials
301268	Minglida	Industrials

A) Fund Performance (continued)

Outlook and Fund Strategy

We remain optimistic about the fundamentals and prospects of China 'A' shares.

Domestic economic data have shown signs of recovery. Besides low base effect, the rebound is thanks to fiscal strength and improvement in both investment and exports. Consumption has become the main driving force to achieving economic goals this year. Currently, the US economy is hovering near the peak and dovish comments from the Fed has saw US interest rate retracing. The DXY index has declined in response, which provides Non-US assets a window of opportunity to rebound. The process of finding a new equilibrium in the economy is bound to face twists and turns and it is unlikely to see effects from economic policy stimulus overnight. With time, household balance sheets should gradually repair, and expectations are expected to improve. However, this process of repair will require patience, so the market should not be pessimistic in the medium term.

The ChiNext Index mainly focuses on advanced manufacturing, pharmaceutical and medical sectors. We remain confident in the development of high growth companies on the back of China's economic transformation and supply chain upgrade. From valuation perspective, the index has undergone a period of market correction. The index is currently trading at a relatively low valuation with Price-to-Earnings (PER) ratio as of end Dec 2023 at more than one standard deviation below its 5-year historical mean, which provides a good margin of safety.

Key downside risks to our constructive stance on China markets include US/China/Taiwan geopolitics in view of upcoming US elections, escalation in the Israel-Palestine conflict, China macroeconomic recovery and US interest rate trajectory.

UOBAM Ping An ChiNext ETF
(Constituted under a Trust Deed in the Republic of Singapore)

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2023 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
China	10,378,996	100.21
Portfolio of investments	10,378,996	100.21
Other net assets/(liabilities)	(21,824)	(0.21)
Total	10,357,172	100.00

ii) Industry

N/A

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted unit trusts	10,378,996	100.21
Other net assets/(liabilities)	(21,824)	(0.21)
Total	10,357,172	100.00

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 31 December 2023

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
PING AN CHINEXT ETF	10,378,996	100.21

There was only 1 holding as at 31 December 2023.

UOBAM Ping An ChiNext ETF
(Constituted under a Trust Deed in the Republic of Singapore)

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 31 December 2023

N/A

ii) There was a net realised loss of SGD 280 on derivative contracts during the financial period from 1 July 2023 to 31 December 2023.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2023

N/A

E) Amount and percentage of NAV invested in other schemes as at 31 December 2023

Please refer to the Statement of Portfolio.

F) Amount and percentage of borrowings to NAV as at 31 December 2023

N/A

G) Amount of redemptions and subscriptions for the financial period from 1 July 2023 to 31 December 2023

Total amount of redemptions	SGD	-
Total amount of subscriptions	SGD	38,435

H) The amount and terms of related-party transactions for the financial period from 1 July 2023 to 31 December 2023

i) As at 31 December 2023, the Sub-Fund maintained current accounts with its related party as follows:

State Street Bank and Trust Company, Singapore Branch

Cash and bank balances	SGD	20,078
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UOBAM Ping An ChiNext ETF
(Constituted under a Trust Deed in the Republic of Singapore)

H) The amount and terms of related-party transactions for the financial period from 1 July 2023 to 31 December 2023 (continued)

ii) Investment in Initial Public Offerings managed by UOB Group

N/A

iii) As at 31 December 2023, there was no brokerage income earned by UOB Kay Hian Pte Ltd.

I) Expense ratios

	31 December 2023
	\$
Total operating expenses	127,319
Average daily net asset value	12,293,332
Investee Fund's expense ratio	<u>0.30%</u>
Expense ratio	<u>1.34%</u>

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). This is the sum of the Sub-Fund's expense ratio and the Investee Fund's unaudited expense ratios. The unaudited expense ratio of the Investee Fund is obtained from Investee Fund's manager. The calculation of the Sub-Fund's expense ratio at 31 December 2023 was based on total operating expenses divided by the average net asset value respectively for the financial period. The total operating expenses do not include (where applicable) brokerage and other transaction 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 asset value is based on the daily balances.

J) Turnover ratios

	31 December 2023
	\$
Lower of total value of purchases or sales [#]	186,601
Average daily net assets value	<u>11,288,911</u>
Turnover ratio	<u>1.65%</u>

There were no sales during the financial period ended 31 December 2023. Therefore, the total value of purchases is used in the calculation of portfolio turnover ratio.

Note: 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 asset value.

UOBAM Ping An ChiNext ETF
(Constituted under a Trust Deed in the Republic of Singapore)

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 31 December 2023

10 largest holdings as at 31 December 2023

	Ping An Chinext ETF	
	Fair Value	Percentage of
	(RMB)	total net assets
		attributable to
		unitholders
		%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	79,373,747	14.83
EAST MONEY INFORMATION CO LTD	34,170,749	6.38
SHENZHEN MINDRAY BIO-MEDICAL ELECTRONICS CO LTD	29,759,765	5.56
SHENZHEN INOVANCE TECHNOLOGY CO LTD	23,396,590	4.37
WENS FOODSTUFFS GROUP CO LTD	21,028,336	3.93
SUNGROW POWER SUPPLY CO LTD	17,053,773	3.19
ZHONGJI INNOLIGHT CO LTD	13,727,598	2.56
CHONGQING ZHIFEI BIOLOGICAL PRODUCTS CO LTD	13,441,145	2.51
AIER EYE HOSPITAL GROUP CO LTD	13,160,342	2.46
EVE ENERGY CO LTD	10,324,441	1.93

ii) Expense ratios for the financial period ended 31 December 2023

Ping An Chinext ETF

31 December 2023 0.30%

iii) Turnover ratios for the financial period ended 31 December 2023

Ping An Chinext ETF

31 December 2023 12.07%

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 ETF Series 1

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

STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2023 (Un-audited)

	UOBAM Ping An ChiNext ETF 31 December 2023 \$
Income	
Interest	46
Total	<u>46</u>
Less: Expenses	
Management fee	28,381
Trustee fee	2,517
Audit fee	7,657
Registrar fee	7,575
Valuation fee	7,095
Custody fee	4,927
Transaction costs	157
Reimbursement of expenses by the Manager	(17,000)
Other expenses	<u>23,330</u>
Total	<u>64,639</u>
Net income/(losses)	<u>(64,593)</u>
Net gains/(losses) on value of investments and financial derivatives	
Net gains/(losses) on investments	(1,777,372)
Net gains/(losses) on financial derivatives	(280)
Net foreign exchange gains/(losses)	<u>(74)</u>
	<u>(1,777,726)</u>
Total return/(deficit) for the financial period before income tax	(1,842,319)
Less: Income tax	<u>(1)</u>
Total return/(deficit) for the financial period	<u>(1,842,320)</u>

United ETF Series 1

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 (Un-audited)

	UOBAM Ping An ChiNext ETF	
	31 December 2023	30 June 2023
	\$	\$
Assets		
Portfolio of investments	10,378,996	11,969,924
Receivables	-	30,000
Cash and bank balances	20,078	198,653
Margin accounts	4,375	4,278
Total assets	<u>10,403,449</u>	<u>12,202,855</u>
Liabilities		
Payables	46,277	41,798
Total liabilities	<u>46,277</u>	<u>41,798</u>
Equity		
Net assets attributable to unitholders	<u>10,357,172</u>	<u>12,161,057</u>

United ETF Series 1

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 31 December 2023 (Un-audited)

	UOBAM Ping An ChiNext ETF	
		For the financial period from 14 November 2022 (date of inception) to 30 June 2023
	31 December 2023	
	\$	\$
Net assets attributable to unitholders at the beginning of the financial period	12,161,057	-
Operations		
Change in net assets attributable to unitholders resulting from operations	(1,842,320)	(1,291,049)
Unitholders' contributions/(withdrawals)		
Creation of units	38,435	15,654,695
Cancellation of units	-	(2,202,589)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	38,435	13,452,106
Total increase/(decrease) in net assets attributable to unitholders	(1,803,885)	12,161,057
Net assets attributable to unitholders at the end of the financial period	10,357,172	12,161,057

United ETF Series 1

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

STATEMENT OF PORTFOLIO

As at 31 December 2023 (Un-audited)

UOBAM Ping An ChiNext ETF

	Holdings at 31 December 2023	Fair value at 31 December 2023 \$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
By Industry - Primary			
Quoted unit trusts			
UNIT TRUSTS			
PING AN CHINEXT ETF	46,649,300	<u>10,378,996</u>	<u>100.21</u>
Portfolio of investments		10,378,996	100.21
Other net assets/(liabilities)		<u>(21,824)</u>	<u>(0.21)</u>
Net assets attributable to unitholders		<u>10,357,172</u>	<u>100.00</u>

United ETF Series 1

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

STATEMENT OF PORTFOLIO

As at 31 December 2023 (Un-audited)

	UOBAM Ping An ChiNext ETF	
	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Primary (Summary)		
Quoted unit trusts		
China	<u>100.21</u>	<u>98.43</u>
Portfolio of investments	100.21	98.43
Other net assets/(liabilities)	<u>(0.21)</u>	<u>1.57</u>
Net assets attributable to unitholders	<u>100.00</u>	<u>100.00</u>

As the Sub-Fund is invested wholly into quoted unit trusts, it is not meaningful to classify the investments into industry segment.

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