

UETF

➤ United SSE 50 China ETF

Annual Report

for the financial year ended
30 June 2024



Right By You

UETF

(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)

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

United SSE 50 China ETF

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

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 12 November 2009 Ann Comp Ret
United SSE 50 China ETF	0.36	3.65	-2.82	-13.66	-3.80	3.38	-1.60
Benchmark	0.06	4.29	-1.02	-12.57	-2.40	7.05	1.71

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: SSE 50 Index.

For the twelve months ending 30 June 2024, the net asset value (NAV) of fell 2.82% in Singapore dollar (SGD) terms compared to the 1.02% fall for the benchmark SSE 50 Index over the same period.

Economic and Market Review

In the twelve-month period under review ended 30 June 2024, China market bottomed out in mid-January on the back of incremental easing measures and improving macroeconomic conditions. Rally appeared to be losing momentum amidst market concerns over the size and implementation of the People's Bank of China (PBOC)'s relending policy for local governments to act as the buyer of last resort to clear property inventory. Defensive dividend plays have worked out well in this environment with high dividend stocks such as banks, telecom, energy, and utility companies getting bid up by investors.

In the economic data released in June, indicators such as social financing and credit fell short of expectations. The PMI remained in the contraction zone while both CPI and PPI showed no signs of reflation. Coupled with a significant decline in real estate investment growth, this led the market to hold an even more pessimistic outlook for China's economy in the second half of the year. The market is still anticipating positive outcomes from the Third Plenary Session of the Central Committee in mid-July, but considering the limited room for manoeuvre in fiscal, monetary, and industrial policies, there might not be huge surprises. Therefore, we need to be more patient and wait for better policy signals.

As of 17 June 2024, five constituents changed during the index review and rebalancing for the SSE 50 Index.

Deletions

Name	Sector
China Northern Rare Earth (Group) High-Tech Co.,Ltd	Materials
Avic Aviation Engine Corporation Plc.	Industrials
China Three Gorges Renewables (Group) Co.,Ltd.	Utilities
Zhejiang Huayou Cobalt Co., Ltd.	Materials
Trina Solar Co., Ltd.	Information Technology

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A) Fund Performance (continued)

Additions

Name	Sector
China Mobile Limited	Communication Services
Bank of Communications Co LTD	Financials
Postal Savings Bank Of China Co., Ltd.	Financials
China National Nuclear Power Co., Ltd.	Utilities
Advanced Micro-Fabrication Equipment Inc. China	Information Technology

As of 11 December 2023, five constituents changed during the index review and rebalancing for the SSE 50 Index.

Deletions

Name	Sector
Inner Mongolia Baotou Steel Union Co Ltd	Materials
Shanghai Fosun Pharmaceutical (Group) Co Ltd	Health Care
Wingtech Technology Co.,Ltd.	Information Technology
China Securities Co., Ltd.	Financials
Hoshine Silicon Industry Co.,Ltd	Materials

Additions

Name	Sector
China CSSC Holdings Limited	Industrials
China Pacific Insurance (Group) Co Ltd	Financials
Bank of China Ltd	Financials
Hygon Information Technology Co., Ltd.	Information Technology
Semiconductor Manufacturing International Corporation	Information Technology

Outlook and Fund Strategy

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

In China, weaker macro indicators and divergence in views regarding the property easing measures released on 17 May saw profit taking in the Chinese equities market. Investor concern range from insufficient stimulus package size to the willingness of banks and local governments to participate in the buyout program in scale. We believe that property market inflection point relies heavily on policy execution, and we would need to see more easing measures from the authorities to support the real estate sector.

Meanwhile, Chinese companies have been encouraged to focus on shareholder returns by raising dividends and share buybacks. This approach to increase ROE could entice investors and restore confidence, with the potential to transform the Chinese equities market.

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A) Fund Performance (continued)

Overall, we believe that investment opportunities in the A-share market could continue to run along two main themes:

1. Central state-owned enterprises and dividend plays with good cashflow
2. Artificial intelligence supply chain

We remain cognizant of key risks in the market such as escalating geopolitics that could restrict trade access for Chinese companies, China's property sector/macroeconomic recovery and the US interest rate trajectory.

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2024 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
China	18,706,013	98.35
Hong Kong	264,996	1.39
Portfolio of investments	18,971,009	99.74
Other net assets/(liabilities)	49,436	0.26
Total	19,020,445	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	771,504	4.06
Consumer Discretionary	726,292	3.82
Consumer Staples	3,424,240	18.00
Energy	1,246,924	6.56
Financials	5,874,513	30.89
Health Care	914,749	4.81
Industrials	1,871,299	9.84
Information Technology	1,518,476	7.98
Materials	1,208,518	6.35
Real Estate	172,098	0.90
Utilities	1,242,396	6.53
Portfolio of investments	18,971,009	99.74
Other net assets/(liabilities)	49,436	0.26
Total	19,020,445	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	18,971,009	99.74
Other net assets/(liabilities)	49,436	0.26
Total	19,020,445	100.00

United SSE 50 China 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 30 June 2024 under review classified by (continued)

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 30 June 2024

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
KWEICHOW MOUTAI CO LTD	2,534,801	13.33
PING AN INSURANCE GROUP CO OF CHINA LTD	1,218,060	6.41
CHINA MERCHANTS BANK CO LTD	1,157,586	6.09
CHINA YANGTZE POWER CO LTD	967,276	5.08
ZIJIN MINING GROUP CO LTD	791,745	4.16
INDUSTRIAL BANK CO LTD	700,838	3.69
BANK OF COMMUNICATIONS CO LTD	561,352	2.95
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	546,390	2.87
CITIC SECURITIES CO LTD	486,696	2.56
JIANGSU HENGRUI PHARMACEUTICALS CO LTD	470,299	2.47

10 largest holdings as at 30 June 2023

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
KWEICHOW MOUTAI CO LTD	3,143,366	16.23
PING AN INSURANCE GROUP CO OF CHINA LTD	1,484,055	7.66
CHINA MERCHANTS BANK CO LTD	1,194,681	6.17
INDUSTRIAL BANK CO LTD	675,062	3.49
CHINA YANGTZE POWER CO LTD	639,625	3.30
JIANGSU HENGRUI PHARMACEUTICALS CO LTD	635,184	3.28
CITIC SECURITIES CO LTD	573,739	2.96
ZIJIN MINING GROUP CO LTD	551,434	2.85
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	531,197	2.74
LONGI GREEN ENERGY TECHNOLOGY CO LTD	515,565	2.66

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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 2024

	Contract or underlying principal amount	Positive fair value	% of NAV	Negative fair value	% of NAV
	\$	\$		\$	
Foreign currency contracts	13,869	-	-	41	-*

* denotes amount less than 0.01%

- ii) There was a net realised loss of SGD 1,083 on derivative contracts during the financial year ended 30 June 2024.
- iii) There was a net unrealised loss of SGD 41 on outstanding derivative contracts marked to market as at 30 June 2024.

E) Amount and percentage of NAV invested in other schemes as at 30 June 2024

N/A

F) Amount and percentage of borrowings to NAV as at 30 June 2024

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2024

Total amount of redemptions	SGD	199,200
Total amount of subscriptions	SGD	362,200

H) The amount and terms of related-party transactions for the financial year ended 30 June 2024

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

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I) Expense ratios

Please refer to Note 11 of the Notes to the Financial Statements.

J) Turnover ratios

Please refer to Note 11 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 2024 and 30 June 2023

N/A

ii) Expense ratios for the financial year ended 30 June 2024 and 30 June 2023

N/A

iii) Turnover ratios for the financial year ended 30 June 2024 and 30 June 2023

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.

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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

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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 UETF, namely United SSE 50 China 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 16 to 46, 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
20 September 2024

UETF

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STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 16 to 46, 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 UETF, namely United SSE 50 China ETF (the "Sub-Fund") as at 30 June 2024, and the financial performance and movements of unitholders' funds for the financial 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
20 September 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF UETF
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)**

Our Opinion

In our opinion, the accompanying financial statements of the sub-fund of UETF, namely United SSE 50 China 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 ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Sub-Fund as at 30 June 2024, 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 2024;
- the Statement of Financial Position as at 30 June 2024;
- the Statement of Movements of Unitholders' Funds for the financial year then ended;
- the Statement of Portfolio as at 30 June 2024; and
- the Notes to the Financial Statements, including material accounting policy information.

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 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 UETF
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)**

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 of 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 the 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 RAP 7 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 UETF
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)**

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 UETF
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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Lim Kheng Wah.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 20 September 2024

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STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2024

		United SSE 50 China ETF	
		2024	2023
	Note	\$	\$
Income			
Dividends		549,057	730,346
Interest		116	221
Total		<u>549,173</u>	<u>730,567</u>
Less: Expenses			
Management fee	9	85,479	97,874
Trustee fee	9	5,423	7,518
Audit fee	10	26,233	25,899
Custody fee	9	15,197	18,661
Transaction costs		9,325	12,999
Other expenses		52,420	59,974
Total		<u>194,077</u>	<u>222,925</u>
Net income/(losses)		<u>355,096</u>	<u>507,642</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(810,767)	(6,913,135)
Net gains/(losses) on financial derivatives		(1,124)	(2,938)
Net foreign exchange gains/(losses)		178	(121)
		<u>(811,713)</u>	<u>(6,916,194)</u>
Total return/(deficit) for the financial year before income tax		<u>(456,617)</u>	<u>(6,408,552)</u>
Less: Income tax	3	<u>(54,992)</u>	<u>(73,152)</u>
Total return/(deficit) for the financial year		<u>(511,609)</u>	<u>(6,481,704)</u>

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

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		United SSE 50 China ETF	
		2024	2023
	Note	\$	\$
Assets			
Portfolio of investments		18,971,009	19,346,846
Receivables	4	7,226	7,207
Cash and bank balances	9	104,093	178,120
Total assets		<u>19,082,328</u>	<u>19,532,173</u>
Liabilities			
Purchases awaiting settlement		-	78,027
Payables	5	61,842	85,090
Financial derivatives at fair value	6	41	2
Total liabilities		<u>61,883</u>	<u>163,119</u>
Equity			
Net assets attributable to unitholders	7	<u>19,020,445</u>	<u>19,369,054</u>

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

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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2024

	Note	United SSE 50 China ETF	
		2024	2023
		\$	\$
Net assets attributable to unitholders at the beginning of the financial year		19,369,054	25,831,858
Operations			
Change in net assets attributable to unitholders resulting from operations		(511,609)	(6,481,704)
Unitholders' contributions/(withdrawals)			
Creation of units		362,200	678,000
Cancellation of units		(199,200)	(659,100)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		163,000	18,900
Total increase/(decrease) in net assets attributable to unitholders		(348,609)	(6,462,804)
Net assets attributable to unitholders at the end of the financial year	7	19,020,445	19,369,054

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

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STATEMENT OF PORTFOLIO

As at 30 June 2024

United SSE 50 China ETF

	Holdings at 30 June 2024	Fair value at 30 June 2024 \$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
By Industry - Primary			
Quoted equities			
COMMUNICATION SERVICES			
CHINA MOBILE LTD	13,200	264,996	1.39
CHINA TELECOM CORP LTD	227,500	261,284	1.38
CHINA UNITED NETWORK COMMUNICATIONS LTD	279,389	<u>245,224</u>	<u>1.29</u>
TOTAL COMMUNICATION SERVICES		<u>771,504</u>	<u>4.06</u>
CONSUMER DISCRETIONARY			
CHINA TOURISM GROUP DUTY FREE CORP LTD	14,400	168,047	0.88
GREAT WALL MOTOR CO LTD	18,700	88,352	0.47
HAIER SMART HOME CO LTD	55,500	294,145	1.55
SAIC MOTOR CORP LTD	67,900	<u>175,748</u>	<u>0.92</u>
TOTAL CONSUMER DISCRETIONARY		<u>726,292</u>	<u>3.82</u>
CONSUMER STAPLES			
FOSHAN HAITIAN FLAVOURING & FOOD CO LTD	24,427	157,242	0.82
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	93,300	450,226	2.37
KWEICHOW MOUTAI CO LTD	9,250	2,534,801	13.33
SHANXI XINGHUACUN FEN WINE FACTORY CO LTD	7,160	<u>281,971</u>	<u>1.48</u>
TOTAL CONSUMER STAPLES		<u>3,424,240</u>	<u>18.00</u>

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STATEMENT OF PORTFOLIO

As at 30 June 2024

United SSE 50 China ETF

	Holdings at 30 June 2024	Fair value at 30 June 2024 \$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
By Industry - Primary (continued)			
Quoted equities			
ENERGY			
CHINA PETROLEUM & CHEMICAL CORP	214,030	252,609	1.33
CHINA SHENHUA ENERGY CO LTD	48,400	401,043	2.11
PETROCHINA CO LTD	166,000	319,922	1.68
SHAANXI COAL INDUSTRY CO LTD	56,800	<u>273,350</u>	<u>1.44</u>
TOTAL ENERGY		<u>1,246,924</u>	<u>6.56</u>
FINANCIALS			
AGRICULTURAL BANK OF CHINA LTD	467,600	380,730	2.00
BANK OF CHINA LTD	308,700	266,339	1.40
BANK OF COMMUNICATIONS CO LTD	402,400	561,352	2.95
CHINA LIFE INSURANCE CO LTD	24,400	141,484	0.74
CHINA MERCHANTS BANK CO LTD	181,300	1,157,586	6.09
CHINA PACIFIC INSURANCE GROUP	50,200	261,181	1.37
CITIC SECURITIES CO LTD	142,960	486,696	2.56
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	513,300	546,390	2.87
INDUSTRIAL BANK CO LTD	212,988	700,838	3.69
PING AN INSURANCE GROUP CO OF CHINA LTD	157,700	1,218,060	6.41
POSTAL SAVINGS BANK OF CHINA CO LTD	162,500	<u>153,857</u>	<u>0.81</u>
TOTAL FINANCIALS		<u>5,874,513</u>	<u>30.89</u>
HEALTH CARE			
JIANGSU HENGRUI PHARMACEUTICALS CO LTD	65,480	470,299	2.47

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STATEMENT OF PORTFOLIO

As at 30 June 2024

United SSE 50 China ETF

	Holdings at 30 June 2024	Fair value at 30 June 2024 \$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
By Industry - Primary (continued)			
Quoted equities			
HEALTH CARE (continued)			
WUXI APPTec CO LTD	36,940	270,351	1.42
ZHANGZHOU PIENtZEHUANG PHARMACEUTICAL LTD	4,500	<u>174,099</u>	<u>0.92</u>
TOTAL HEALTH CARE		<u>914,749</u>	<u>4.81</u>
INDUSTRIALS			
CHINA CSSC HOLDINGS LTD	32,800	249,363	1.31
CHINA RAILWAY GROUP LTD	150,495	183,243	0.97
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD	304,900	302,349	1.59
COSCO SHIPPING HOLDINGS CO LTD	93,500	270,470	1.42
NARI TECHNOLOGY CO LTD	58,868	274,398	1.44
POWER CONSTRUCTION CORP OF CHINA LTD	126,100	131,639	0.69
SANY HEAVY INDUSTRY CO LTD	87,000	268,077	1.41
TBEA CO LTD	74,033	<u>191,760</u>	<u>1.01</u>
TOTAL INDUSTRIALS		<u>1,871,299</u>	<u>9.84</u>
INFORMATION TECHNOLOGY			
ADVANCED MICRO-FABRICATION EQUIPMENT INC	6,358	167,724	0.88
BEIJING KINGSOFT OFFICE SOFTWARE INC	3,385	143,812	0.76
GIGADEVICE SEMICONDUCTOR BEIJING INC - CLASS A	9,817	175,301	0.92

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

UETF

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

United SSE 50 China ETF

	Holdings at 30 June 2024	Fair value at 30 June 2024 \$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
By Industry - Primary (continued)			
Quoted equities			
INFORMATION TECHNOLOGY (continued)			
HYGON INFORMATION TECHNOLOGY CO LTD	13,595	178,531	0.94
LONGI GREEN ENERGY TECHNOLOGY CO LTD	88,856	232,644	1.22
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP	28,905	248,846	1.31
TONGWEI CO LTD	39,600	141,323	0.74
WILL SEMICONDUCTOR CO LTD	12,410	<u>230,295</u>	<u>1.21</u>
TOTAL INFORMATION TECHNOLOGY		<u>1,518,476</u>	<u>7.98</u>
MATERIALS			
WANHUA CHEMICAL GROUP CO LTD	27,600	416,773	2.19
ZIJIN MINING GROUP CO LTD	241,300	<u>791,745</u>	<u>4.16</u>
TOTAL MATERIALS		<u>1,208,518</u>	<u>6.35</u>
REAL ESTATE			
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD	105,200	172,098	0.90
UTILITIES			
CHINA NATIONAL NUCLEAR POWER CO LTD	138,200	275,120	1.45

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

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STATEMENT OF PORTFOLIO

As at 30 June 2024

United SSE 50 China ETF

	Holdings at 30 June 2024	Fair value at 30 June 2024 \$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
By Industry - Primary (continued)			
Quoted equities			
UTILITIES (continued)			
CHINA YANGTZE POWER CO LTD	179,100	<u>967,276</u>	<u>5.08</u>
TOTAL UTILITIES		<u>1,242,396</u>	<u>6.53</u>
Total Equities		<u>18,971,009</u>	<u>99.74</u>
Portfolio of investments		18,971,009	99.74
Other net assets/(liabilities)		<u>49,436</u>	<u>0.26</u>
Net assets attributable to unitholders		<u>19,020,445</u>	<u>100.00</u>

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

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

	United SSE 50 China ETF	
	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Industry - Primary (Summary)		
Quoted equities		
Communication Services	4.06	2.69
Consumer Discretionary	3.82	4.44
Consumer Staples	18.00	22.91
Energy	6.56	5.67
Financials	30.89	25.93
Health Care	4.81	7.09
Industrials	9.84	9.49
Information Technology	7.98	7.65
Materials	6.35	8.16
Real Estate	0.90	1.40
Utilities	6.53	4.46
Portfolio of investments	99.74	99.89
Other net assets/(liabilities)	0.26	0.11
Net assets attributable to unitholders	100.00	100.00

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

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

United SSE 50 China ETF

	Fair value at 30 June 2024 \$	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
By Geography - Secondary Quoted equities			
China	18,706,013	98.35	99.89
Hong Kong	<u>264,996</u>	<u>1.39</u>	-
Portfolio of investments	18,971,009	99.74	99.89
Other net assets/(liabilities)	49,436	0.26	0.11
Net assets attributable to unitholders	<u>19,020,445</u>	<u>100.00</u>	<u>100.00</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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

1 General

UETF is a Singapore-registered umbrella fund, which offers one sub-fund, United SSE 50 China ETF (the "Sub-Fund"). The Sub-Fund is constituted under a Trust Deed in Singapore 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 SSE 50.

Subscriptions and redemptions of the units are denominated in the Singapore Dollar.

2 Material accounting policy information

(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" ("RAP 7") revised and issued by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Sub-Fund and had no material effect on the amounts reported for the current or prior years.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policy information (continued)**(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.

(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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policy information (continued)**(e) Foreign currency translation** (continued)*(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-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return within "Net foreign exchange gains/(losses)". Translation differences on non-monetary financial assets and liabilities are also recognised in the Statement of Total Return within "Net gains/(losses) on investments".

(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) Expenses

Expenses are recognised in the Statement of Total Return as the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policy information (continued)**(k) Management fee**

Management fee expense is recognised on an accrual basis and in accordance with the Prospectus. Management fee is recognised as an expense over the period for which the service is provided.

(l) Financial derivatives

Financial derivatives including forwards and swaps may be entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provision of the Trust Deed and the Code on Collective Investment Schemes.

Financial derivatives outstanding on the financial year end date are valued at the forward rate or at the current market prices using the "mark-to-market" method, as applicable, and the resultant gains and losses are taken up in the Statement of Total Return.

When a financial derivative expires, or is sold or terminated, the gains or losses are taken up in the Statement of Total Return.

(m) 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 end date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(n) Creation and cancellation of units

Units are issued and redeemed at the prices based on the Fund's net asset value per unit at the time of issue or redemption for each respective class. The Fund's net asset value per unit is calculated by dividing the net asset attributable to the holders of each class of units with the total number of outstanding units for each respective class.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2 Material accounting policy information (continued)**(o) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Sub-Fund or the counterparty.

(p) Income taxes

Current income tax for current year 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3 Income tax

	United SSE 50 China ETF	
	2024	2023
	\$	\$
Tax expense attributable to profit is made up of:		
- Current income tax	-	-
Singapore income tax	-	-
Add:		
- Overseas income tax	<u>54,992</u>	<u>73,152</u>
Total income tax	<u>54,992</u>	<u>73,152</u>

The Sub-Fund was unable to meet the requisite conditions under the Enhanced-Tier Fund ("ETF") Scheme as the local business spending was less than S\$200,000 for the financial year ended 30 June 2024. Hence, it would not qualify for the Section 13U tax exemption. Nevertheless, there was no Singapore income tax payable for the current financial year based on the Manager's assessment.

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

(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:

	United SSE 50 China ETF	
	2024	2023
	\$	\$
Profit before tax	<u>(456,617)</u>	<u>(6,408,552)</u>
Tax calculated at tax rate of 17%	<u>(77,625)</u>	<u>(1,089,454)</u>
Effects of:		
- unutilised tax losses not recognised as deferred tax assets	<u>77,625</u>	<u>1,089,454</u>
Tax charge	<u>-</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

4 Receivables

	United SSE 50 China ETF	
	2024	2023
	\$	\$
Other receivables	7,226	7,207

5 Payables

	United SSE 50 China ETF	
	2024	2023
	\$	\$
Amount due to the Manager	22,352	23,264
Amount due to Trustee	2,793	1,809
Other creditors and accrued expenses	<u>36,697</u>	<u>60,017</u>
	<u>61,842</u>	<u>85,090</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

6 Financial derivatives at fair value

Financial derivatives contracts comprise of foreign currency contracts for the sale and purchase of foreign currencies. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at the financial year end date are analysed below.

	United SSE 50 China ETF		
	2024		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	13,869	-	41
		2023	
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	78,029	-	2

7 Units in issue

During the financial years ended 30 June 2024 and 2023, the numbers of units issued, redeemed and outstanding were as follows:

	United SSE 50 China ETF	
	2024	2023
Units at the beginning of the financial year	9,752,000	9,752,000
Units created	200,000	300,000
Units cancelled	(100,000)	(300,000)
Units at the end of the financial year	<u>9,852,000</u>	<u>9,752,000</u>
	\$	\$
Net assets attributable to unitholders	19,020,445	19,369,054
Net assets value per unit	1.930	1.986

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

7 Units in issue (continued)

There is insignificant difference between the net assets attributable to unitholders per unit per financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units.

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 investments in 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.

(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 industries, 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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.

United SSE 50 China ETF

As at 30 June 2024

	RMB \$	SGD \$	USD \$	Total \$
Assets				
Portfolio of investments	18,971,009	-	-	18,971,009
Receivables	-	7,226	-	7,226
Cash and bank balances	28,471	74,297	1,325	104,093
Total Assets	18,999,480	81,523	1,325	19,082,328
Liabilities				
Payables	-	61,842	-	61,842
Total Liabilities	-	61,842	-	61,842
Net Assets	18,999,480	19,681	1,325	
Foreign currency contracts (notional value)	(13,869)	13,869	-	
Net currency exposure	18,985,611	33,550	1,325	

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United SSE 50 China ETF
As at 30 June 2023

	RMB \$	SGD \$	USD \$	Total \$
Assets				
Portfolio of investments	19,346,846	-	-	19,346,846
Receivables	-	7,207	-	7,207
Cash and bank balances	<u>59,930</u>	<u>108,844</u>	<u>9,346</u>	<u>178,120</u>
Total Assets	<u>19,406,776</u>	<u>116,051</u>	<u>9,346</u>	<u>19,532,173</u>
Liabilities				
Purchases awaiting settlement	78,027	-	-	78,027
Payables	<u>-</u>	<u>85,090</u>	<u>-</u>	<u>85,090</u>
Total Liabilities	<u>78,027</u>	<u>85,090</u>	<u>-</u>	<u>163,117</u>
Net Assets	19,328,749	30,961	9,346	
Foreign currency contracts (notional value)	<u>78,029</u>	<u>(78,029)</u>	<u>-</u>	
Net currency exposure	<u>19,406,778</u>	<u>(47,068)</u>	<u>9,346</u>	

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Financial risk management (continued)

(a) Market risk (continued)

(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. The Sub-Fund is designated to track the performance of the SSE 50 Index, therefore the exposure to price risk in the Sub-Fund will be substantially the same as the SSE 50 Index. As an exchange traded fund, the Manager manages the Sub-Fund's exposure to price risk by ensuring the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to the SSE 50 Index characteristics.

Benchmark component	2024		2023	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
United SSE 50 China ETF				
SSE 50 Index	20	3,637,952	20	3,756,188

(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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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.

The tables below analyse the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the financial year 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.

	United SSE 50 China ETF		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2024			
Payables	61,842	-	-
Financial derivatives at fair value			
- Foreign currency contracts	41	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2023			
Purchases awaiting settlement	78,027	-	-
Payables	85,090	-	-
Financial derivatives at fair value			
- Foreign currency contracts	2	-	-

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the Sub-Fund's derivatives financial instruments in a loss position that will be settled on a gross basis into relevant maturity groups based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

	United SSE 50 China ETF		
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 30 June 2024			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	13,869	-	-
- outflow	(13,910)	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 30 June 2023			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	78,029	-	-
- outflow	(78,031)	-	-

(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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Financial risk management (continued)

(c) Credit risk (continued)

The table below summarises the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 30 June 2024 and 30 June 2023.

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

United SSE 50 China ETF

	Credit rating as at 30 June 2024	Credit rating as at 30 June 2023
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Counterparty of foreign currency contracts		
State Street Bank and Trust Company	aa-	aa-

The maximum exposure to credit risk at the financial year 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 2024

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).

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Financial risk management (continued)

(e) Fair value estimation (continued)

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 2024 and 2023:

	United SSE 50 China ETF			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2024				
Assets				
Portfolio of investments				
- Quoted equities	<u>18,971,009</u>	<u>-</u>	<u>-</u>	<u>18,971,009</u>
Total	<u>18,971,009</u>	<u>-</u>	<u>-</u>	<u>18,971,009</u>
Liabilities				
Financial derivatives at fair value	<u>-</u>	<u>41</u>	<u>-</u>	<u>41</u>
Total	<u>-</u>	<u>41</u>	<u>-</u>	<u>41</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2023				
Assets				
Portfolio of investments				
- Quoted equities	<u>19,346,846</u>	<u>-</u>	<u>-</u>	<u>19,346,846</u>
Total	<u>19,346,846</u>	<u>-</u>	<u>-</u>	<u>19,346,846</u>
Liabilities				
Financial derivatives at fair value	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
Total	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include over-the-counter derivatives.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8 Financial risk management (continued)

(e) Fair value estimation (continued)

The assets and liabilities included in the Statement of Financial Position except portfolio of investments and financial derivatives are carried at amortised cost; their carrying values are reasonable approximation of fair value.

(f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the table below.

United SSE 50 China ETF

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
30 June 2024						
Derivative financial instruments	41	-	41	-	-	41
Total	41	-	41	-	-	41
30 June 2023						
Derivative financial instruments	2	-	2	-	-	2
Total	2	-	2	-	-	2

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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 is paid to the Manager for the financial year. Trustee fee is paid to the Trustee and custody fee is paid to State Street Bank and Trust Company, Singapore Branch.

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, the Sub-Fund maintained the following accounts with the related parties:

	United SSE 50 China ETF	
	2024	2023
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	104,093	178,120

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

	United SSE 50 China ETF	
	2024	2023
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	116	221

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

10 Auditors' remuneration

During the financial years ended 30 June 2024 and 2023, the following fees were paid or payable for services provided by the auditor of the Fund.

	United SSE 50 China ETF	
	2024	2023
	\$	\$
Auditors' remuneration paid/payable to		
- Auditor of the Fund	26,233	25,899
- Other auditors – other PwC Network firms	-	-
Other fees paid/payable to		
- Auditor of the Fund	2,460	1,836
- Other auditors – other PwC Network firms	-	-
	<u>28,693</u>	<u>27,735</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11 Financial ratios

	United SSE 50 China ETF	
	2024	2023
	\$	\$
Total operating expenses	184,752	209,926
Average daily net assets value	18,977,627	21,713,794
Expense ratio ¹	0.97%	0.97%
Lower of total value of purchases or sales	2,851,371	3,419,294
Average daily net assets value	18,977,627	21,713,794
Turnover ratio ²	15.02%	15.75%

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 end was based on total operating expenses divided by the average net assets value respectively for the financial year. 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.

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