

# UETF

➤ United SSE 50 China ETF

## Annual Report

for the financial year ended  
30 June 2023





## **UETF**

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

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### **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

**United SSE 50 China 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 12 November 2009 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United SSE 50 China ETF	-8.44	-7.46	-25.00	-5.56	-1.50	2.83	-1.51
Benchmark	-8.40	-7.22	-24.46	-4.64	0.83	6.68	1.91

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 2023, the net asset value (NAV) of the Fund fell **25.00%** in Singapore Dollar (SGD) terms compared to the 24.46% fall for the benchmark SSE 50 Index over the same period.

As at 30 Jun 2023, the Fund had the following sector allocation: **Financials** (25.93%), **Consumer Staples** (22.91%), **Industrials** (9.49%), **Materials** (8.16%), **Information Technology** (7.65%), **Health Care** (7.09%), **Energy** (5.67%), **Utilities** (4.46%), **Consumer Discretionary** (4.44%), others (4.09%) and cash (0.11%).

**Economic and Market Review**

In the twelve-month period under review ended 30 June 2023, intensified COVID woes and growing concern for property market in the second half of 2022 weighed on **China** equity markets. The earlier-than-expected border reopening was well-received by investors with markets bottoming out and staging a strong rebound in Nov 2022. Nevertheless, the escalation of technological war between the **US** and **China** as well as worries over domestic post-COVID growth recovery saw enthusiasm fading in **China** markets. On the other hand, AI and robotics emerged as a promising investment theme in 2023. Against the backdrop of a lackluster market, interest in technology stocks appeared exceptionally high.

Domestic economy improved marginally though overall recovery trend remained weak. 1Q23 GDP growth rose to 4.5%, beating market expectations. Consumption had been the main growth driver in 2023, **China** retail sales bottomed out in Nov 2022 and had been recording double-digit growth since Mar 2023. Nevertheless, overall economic recovery remained moderate. Manufacturing PMI had a brief recovery in 1Q after the easing of epidemic control and border reopening but returned to contraction in 2Q dragged by soft global demand. May CPI and PPI came in lower than expected and total social financing data extended decline. Nevertheless, as we enter Jun, we are seeing more positive signals from macroeconomic indicators.

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### A) Fund Performance (continued)

In terms of liquidity, we expect to see more monetary policy actions to stabilise growth. Against the backdrop of the recent interest rate cut, the Monetary Policy Committee of the Central bank highlighted in the Q2 regular meeting that it is necessary to strengthen macroeconomic policy regulation, implement prudent, effective, and consistent monetary policy to serve as counter-cyclical measures. The committee will tap on all available monetary policy tools while considering their structural functions to stabilise growth, employment and prices as well as stimulate domestic demand and encourage consumption.

As of 12 December 2022, five constituents changed during the Index review and rebalancing for the SSE 50 Index.

#### Deletions

Name	Sector
Hundsun Technologies Inc.	Information Technology
Yonyou Network Technology Co., Ltd	Information Technology
Haitong Securities Company Limited	Financials
Guotai Junan Securities Co	Financials
China Telecom Corporation Limited	Communication Services

#### Additions

Name	Sector
Nari Technology Co Ltd	Industrials
Shaanxi Coal Industry Company Limited	Energy
Power Construction Corporation Of China Ltd	Industrials
Hoshine Silicon Industry Co Ltd	Materials
Trina Solar Co Ltd	Information Technology

As of 12 June 2023, five constituents changed during the Index review and rebalancing for the SSE 50 Index.

#### Deletions

Name	Sector
Hengli Petrochemical Co.,Ltd	Materials
Anhui Conch Cement Co Ltd	Materials
China Pacific Insurance (Group) Co Ltd	Financials
Huatai Securities Co Ltd	Financials
China International Capital Corporation Limited	Financials

# United SSE 50 China ETF

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## A) Fund Performance (continued)

### Additions

Name	Sector
Beijing Kingsoft Office Software Inc	Information Technology
China Railway Group Ltd	Industrials
China Telecom Corp Ltd	Communication Services
China United Network Communications Ltd	Communication Services
TBEA Co Ltd	Industrials

### Outlook and Fund Strategy

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

The economy has gradually improved after the easing of dynamic zero-COVID measures. However, based on recent data, the strength of economic recovery has been weaker than expected. On policy front, we expect monetary policy to remain accommodative to encourage economic recovery and further fiscal stimulus to support stable economic growth. In addition, the market had experienced a significant decline in 2022 and broad-based indices are still hovering near low levels, hence we see a smaller probability of an extended decline in 2023. Nevertheless, if economic recovery was mild in 2023, the full-year return is unlikely to be exceptionally high.

Key downside risks to our constructive stance on **China** markets include an escalation of geopolitical tension between the **US** and **China**, weaker-than-expected **China** macroeconomic recovery, a severe global recession, and a bigger-than-expected tail risk from the real estate or LGFV (Local Government Financing Vehicles) sector.

## United SSE 50 China 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
China	19,346,846	99.89
Portfolio of investments	19,346,846	99.89
Other net assets/(liabilities)	22,208	0.11
<b>Total</b>	<b>19,369,054</b>	<b>100.00</b>

#### ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	520,336	2.69
Consumer Discretionary	859,447	4.44
Consumer Staples	4,437,068	22.91
Energy	1,098,197	5.67
Financials	5,022,824	25.93
Health Care	1,372,738	7.09
Industrials	1,838,654	9.49
Information Technology	1,482,677	7.65
Materials	1,579,806	8.16
Real Estate	272,154	1.40
Utilities	862,945	4.46
Portfolio of investments	19,346,846	99.89
Other net assets/(liabilities)	22,208	0.11
<b>Total</b>	<b>19,369,054</b>	<b>100.00</b>

#### iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	19,346,846	99.89
Other net assets/(liabilities)	22,208	0.11
<b>Total</b>	<b>19,369,054</b>	<b>100.00</b>

## United SSE 50 China 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 (continued)**

**iv) Credit rating of quoted bonds**

N/A

**C) Top Ten Holdings**

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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**C) Top Ten Holdings** (continued)

10 largest holdings as at 30 June 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
KWEICHOW MOUTAI CO LTD	4,315,189	16.70
CHINA MERCHANTS BANK CO LTD	1,748,478	6.77
PING AN INSURANCE GROUP CO OF CHINA LTD	1,692,820	6.55
LONGI GREEN ENERGY TECHNOLOGY CO LTD	1,351,616	5.23
INDUSTRIAL BANK CO LTD	968,490	3.75
CHINA YANGTZE POWER CO LTD	879,588	3.41
CHINA TOURISM GROUP DUTY FREE CORP LTD	765,108	2.96
WUXI APTEC CO LTD	714,286	2.76
CITIC SECURITIES CO LTD	707,687	2.74
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	668,039	2.59

**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

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Foreign currency contracts	78,029	-	-	2	-*

\* denotes amount less than 0.01%

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**D) Exposure to derivatives** (continued)

- ii) There was a net realised loss of SGD 2,936 on derivative contracts during the financial year ended 30 June 2023.
- iii) There was a net unrealised loss of SGD 2 on outstanding derivative contracts marked to market as at 30 June 2023.

**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	659,100
Total amount of subscriptions	SGD	678,000

**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.

**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

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**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”)<sup>1</sup> 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 ended 30 June 2023 and 30 June 2022

N/A

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

N/A

<sup>1</sup> *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

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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 43, 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

## 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 43, 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 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 UETF**

### ***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, 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 UETF**

### ***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 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 UETF**

### ***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**

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

# UETF

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

## STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2023

	Note	United SSE 50 China ETF	
		2023	2022
		\$	\$
<b>Income</b>			
Dividends		730,346	586,676
Interest		221	6
Other income		-	90
<b>Total</b>		<u>730,567</u>	<u>586,772</u>
<b>Less: Expenses</b>			
Management fee	9	97,874	118,587
Trustee fee	9	7,518	9,156
Audit fee		25,899	25,520
Custody fee	9	18,661	21,224
Transaction costs		12,999	10,950
Other expenses		59,974	120,663
<b>Total</b>		<u>222,925</u>	<u>306,100</u>
<b>Net income/(losses)</b>		<u>507,642</u>	<u>280,672</u>
<b>Net gains/(losses) on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		(6,913,135)	(3,694,461)
Net gains/(losses) on financial derivatives		(2,938)	(2,524)
Net foreign exchange gains/(losses)		(121)	2,899
		<u>(6,916,194)</u>	<u>(3,694,086)</u>
<b>Total return/(deficit) for the financial year before income tax</b>		<u>(6,408,552)</u>	<u>(3,413,414)</u>
Less: Income tax	3	<u>(73,152)</u>	<u>(58,877)</u>
<b>Total return/(deficit) for the financial year</b>		<u>(6,481,704)</u>	<u>(3,472,291)</u>

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

# UETF

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

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		United SSE 50 China ETF	
		2023	2022
	Note	\$	\$
<b>Assets</b>			
Portfolio of investments		<b>19,346,846</b>	25,620,585
Receivables	4	<b>7,207</b>	7,450
Cash and bank balances	9	<b>178,120</b>	275,648
<b>Total assets</b>		<b><u>19,532,173</u></b>	<u>25,903,683</u>
<b>Liabilities</b>			
Purchases awaiting settlement		<b>78,027</b>	-
Payables	5	<b>85,090</b>	71,740
Financial derivatives at fair value	6	<b>2</b>	85
<b>Total liabilities</b>		<b><u>163,119</u></b>	<u>71,825</u>
<b>Equity</b>			
<b>Net assets attributable to unitholders</b>	7	<b><u>19,369,054</u></b>	<u>25,831,858</u>

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

# UETF

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## STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2023

	Note	United SSE 50 China ETF	
		2023	2022
		\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>25,831,858</b>	28,479,649
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>(6,481,704)</b>	(3,472,291)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>678,000</b>	824,500
Cancellation of units		<b>(659,100)</b>	-
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>18,900</b>	824,500
Total increase/(decrease) in net assets attributable to unitholders		<b>(6,462,804)</b>	(2,647,791)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b>19,369,054</b>	25,831,858

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 2023

### United SSE 50 China ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - Primary</b>			
<b>Quoted equities</b>			
<b>COMMUNICATION SERVICES</b>			
CHINA TELECOM CORP LTD	241,500	254,012	1.31
CHINA UNITED NETWORK COMMUNICATIONS LTD	296,989	<u>266,324</u>	<u>1.38</u>
<b>TOTAL COMMUNICATION SERVICES</b>		<u><b>520,336</b></u>	<u><b>2.69</b></u>
<b>CONSUMER DISCRETIONARY</b>			
CHINA TOURISM GROUP DUTY FREE CORP LTD	15,200	313,872	1.62
GREAT WALL MOTOR CO LTD	20,000	94,046	0.49
HAIER SMART HOME CO LTD	59,000	258,808	1.34
SAIC MOTOR CORP LTD	72,800	<u>192,721</u>	<u>0.99</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u><b>859,447</b></u>	<u><b>4.44</b></u>
<b>CONSUMER STAPLES</b>			
FOSHAN HAITIAN FLAVOURING & FOOD CO LTD	26,027	227,804	1.18
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	100,400	531,197	2.74
KWEICHOW MOUTAI CO LTD	9,950	3,143,366	16.23
SHANXI XINGHUACUN FEN WINE FACTORY CO LTD	7,660	264,846	1.37
TONGWEI CO LTD	42,100	<u>269,855</u>	<u>1.39</u>
<b>TOTAL CONSUMER STAPLES</b>		<u><b>4,437,068</b></u>	<u><b>22.91</b></u>

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 2023

### United SSE 50 China ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>ENERGY</b>			
CHINA PETROLEUM & CHEMICAL CORP	295,930	351,621	1.82
CHINA SHENHUA ENERGY CO LTD	51,400	295,282	1.52
PETROCHINA CO LTD	176,300	246,037	1.27
SHAANXI COAL INDUSTRY CO LTD	60,400	<u>205,257</u>	<u>1.06</u>
<b>TOTAL ENERGY</b>		<u><b>1,098,197</b></u>	<u><b>5.67</b></u>
<b>FINANCIALS</b>			
AGRICULTURAL BANK OF CHINA LTD	496,900	327,697	1.69
CHINA LIFE INSURANCE CO LTD	26,000	169,814	0.88
CHINA MERCHANTS BANK CO LTD	195,200	1,194,681	6.17
CITIC SECURITIES CO LTD	155,260	573,739	2.96
CSC FINANCIAL CO LTD	21,200	95,847	0.49
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	557,400	501,929	2.59
INDUSTRIAL BANK CO LTD	230,888	675,062	3.49
PING AN INSURANCE GROUP CO OF CHINA LTD	171,200	<u>1,484,055</u>	<u>7.66</u>
<b>TOTAL FINANCIALS</b>		<u><b>5,022,824</b></u>	<u><b>25.93</b></u>
<b>HEALTH CARE</b>			
JIANGSU HENGRUI PHARMACEUTICALS CO LTD	70,980	635,184	3.28
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD	19,800	114,302	0.59
WUXI APPTTEC CO LTD	31,940	371,810	1.92

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 2023

### United SSE 50 China ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>HEALTH CARE (continued)</b>			
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL LTD	4,700	<u>251,442</u>	<u>1.30</u>
<b>TOTAL HEALTH CARE</b>		<u><b>1,372,738</b></u>	<u><b>7.09</b></u>
<b>INDUSTRIALS</b>			
AECC AVIATION POWER CO LTD	20,800	164,218	0.85
CHINA RAILWAY GROUP LTD	159,795	226,288	1.17
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD	326,300	349,911	1.81
COSCO SHIPPING HOLDINGS CO LTD	99,200	174,208	0.90
NARI TECHNOLOGY CO LTD	62,568	270,018	1.39
POWER CONSTRUCTION CORP OF CHINA LTD	107,300	115,064	0.59
SANY HEAVY INDUSTRY CO LTD	92,500	287,384	1.48
TBEA CO LTD	60,410	<u>251,563</u>	<u>1.30</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>1,838,654</b></u>	<u><b>9.49</b></u>
<b>INFORMATION TECHNOLOGY</b>			
BEIJING KINGSOFT OFFICE SOFTWARE INC	2,972	262,193	1.35
GIGADEVICE SEMICONDUCTOR BEIJING INC - CLASS A	10,417	206,776	1.07
LONGI GREEN ENERGY TECHNOLOGY CO LTD	96,256	515,565	2.66
TRINA SOLAR CO LTD	17,610	140,184	0.72
WILL SEMICONDUCTOR CO LTD	12,810	234,628	1.21

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 2023

### United SSE 50 China ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>INFORMATION TECHNOLOGY (continued)</b>			
WINGTECH TECHNOLOGY CO LTD	13,500	<u>123,331</u>	<u>0.64</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b><u>1,482,677</u></b>	<b><u>7.65</u></b>
<b>MATERIALS</b>			
CHINA NORTHERN RARE EARTH GROUP HIGH-TECH CO LTD	39,300	176,064	0.91
HOSHINE SILICON INDUSTRY CO LTD	5,500	71,947	0.37
INNER MONGOLIA BAOTOU STEEL UNION CO LTD	353,300	118,148	0.61
WANHUA CHEMICAL GROUP CO LTD	29,900	490,673	2.53
ZHEJIANG HUAYOU COBALT CO LTD	20,000	171,540	0.89
ZIJIN MINING GROUP CO LTD	259,600	<u>551,434</u>	<u>2.85</u>
<b>TOTAL MATERIALS</b>		<b><u>1,579,806</u></b>	<b><u>8.16</u></b>
<b>REAL ESTATE</b>			
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD	111,800	272,154	1.40
<b>UTILITIES</b>			
CHINA THREE GORGES RENEWABLES GROUP CO LTD	222,600	223,320	1.16

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 2023

### United SSE 50 China ETF

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>UTILITIES (continued)</b>			
CHINA YANGTZE POWER CO LTD	155,200	<u>639,625</u>	<u>3.30</u>
<b>TOTAL UTILITIES</b>		<u>862,945</u>	<u>4.46</u>
<b>Total Equities</b>		<u>19,346,846</u>	<u>99.89</u>
<b>Portfolio of investments</b>		19,346,846	99.89
<b>Other net assets/(liabilities)</b>		<u>22,208</u>	<u>0.11</u>
<b>Net assets attributable to unitholders</b>		<u>19,369,054</u>	<u>100.00</u>

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 2023

	United SSE 50 China 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 %
<b>By Industry - Primary (Summary)</b>		
<b>Quoted equities</b>		
Communication Services	2.69	0.26
Consumer Discretionary	4.44	6.02
Consumer Staples	22.91	25.07
Energy	5.67	2.82
Financials	25.93	29.03
Health Care	7.09	7.02
Industrials	9.49	4.90
Information Technology	7.65	9.63
Materials	8.16	8.69
Real Estate	1.40	1.63
Utilities	4.46	4.11
<b>Portfolio of investments</b>	<b>99.89</b>	<b>99.18</b>
<b>Other net assets/(liabilities)</b>	<b>0.11</b>	<b>0.82</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

## By Geography - Secondary

### Quoted equities

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

# UETF

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

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## 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

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 Significant accounting policies

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2023

**2 Significant accounting policies** (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 2023

**2 Significant accounting policies** (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. 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.

# UETF

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 2 Significant accounting policies (continued)

#### (j) 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.

#### (k) 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.

#### (l) 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.

### 3 Income tax

	United SSE 50 China ETF	
	2023	2022
	\$	\$
Overseas income tax	73,152	58,877

# UETF

(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)

The Sub-Fund has been approved by the Monetary Authority of Singapore under the Enhanced-Tier Fund (“ETF”) Scheme (section 13U of the Income Tax Act 1947 and the relevant regulations). Subject to certain conditions being met on an annual basis, the Sub-Fund may enjoy Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Sub-Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax regulations.

The trustee of the Sub-Fund has assessed and is satisfied that the Sub-Fund has met the requisite conditions under the ETF Scheme for the current financial year. The trustee of the Sub-Fund will also ensure that the Sub-Fund fulfills its reporting obligations under the ETF Scheme.

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

### 4 Receivables

	United SSE 50 China ETF	
	2023	2022
	\$	\$
Other receivables	7,207	7,450

### 5 Payables

	United SSE 50 China ETF	
	2023	2022
	\$	\$
Amount due to the Manager	23,264	26,890
Amount due to Trustee	1,809	2,091
Other creditors and accrued expenses	60,017	42,759
	<u>85,090</u>	<u>71,740</u>

# UETF

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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 2023		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	78,029	-	2
		2022	
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	56,870	-	85

### 7 Units in issue

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

	United SSE 50 China ETF	
	2023	2022
Units at the beginning of the financial year	9,752,000	9,452,000
Units created	300,000	300,000
Units cancelled	(300,000)	-
Units at the end of the financial year	<u>9,752,000</u>	<u>9,752,000</u>
	\$	\$
Net assets attributable to unitholders	19,369,054	25,831,858
Net assets value per unit	1.986	2.648



# UETF

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

## 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 end date is prepared below:

	United SSE 50 China ETF	
	2023	2022
	\$	\$
Net assets attributable to unitholders per financial statements per unit	1.986	2.648
Effect of movement in the net asset value between the last dealing date and the end of the reporting period*	-	(0.048)
Net assets attributable to unitholders for issuing/redeeming per unit	1.986	2.600

\* *The net asset value for the purpose of processing unit subscription and redemption was established in accordance with the methodology indicated in the Sub-Fund's Prospectus. This item reflects the movement in net asset value between such date and the end of the financial year.*

### 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.

**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 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.

# UETF

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

## 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.

#### United SSE 50 China ETF

As at 30 June 2023

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

# UETF

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

## 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)

United SSE 50 China ETF

As at 30 June 2022

	RMB \$	SGD \$	USD \$	Total \$
<b>Assets</b>				
Portfolio of investments	25,620,585	-	-	25,620,585
Receivables	-	7,450	-	7,450
Cash and bank balances	58,631	165,901	51,116	275,648
<b>Total Assets</b>	<u>25,679,216</u>	<u>173,351</u>	<u>51,116</u>	<u>25,903,683</u>
<b>Liabilities</b>				
Payables	-	71,740	-	71,740
<b>Total Liabilities</b>	<u>-</u>	<u>71,740</u>	<u>-</u>	<u>71,740</u>
<b>Net Assets</b>	25,679,216	101,611	51,116	
Foreign currency contracts (notional value)	(56,870)	56,870	-	
<b>Net currency exposure</b>	<u>25,622,346</u>	<u>158,481</u>	<u>51,116</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.

# UETF

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

## 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

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	2023		2022	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
<b>United SSE 50 China ETF</b>				
SSE 50 Index	20	3,756,188	20	4,869,989

##### (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.

# UETF

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

## 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.

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
	\$	\$	\$
<b>As at 30 June 2023</b>			
Purchases awaiting settlement	78,027	-	-
Payables	85,090	-	-
Financial derivatives at fair value			
- Foreign currency contracts	2	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 30 June 2022</b>			
Payables	71,740	-	-
Financial derivatives at fair value			
- Foreign currency contracts	85	-	-

# UETF

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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 \$
<b>As at 30 June 2023</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	78,029	-	-
- outflow	(78,031)	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
<b>As at 30 June 2022</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	56,870	-	-
- outflow	(56,955)	-	-

#### (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.

# UETF

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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 2023 and 2022.

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

#### United SSE 50 China ETF

	Credit rating as at 30 June 2023	Credit rating as at 30 June 2022
<b>Bank and custodian</b>		
State Street Bank and Trust Company	aa-	aa-
<b>Counterparty of foreign currency contracts</b>		
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.



**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).

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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 (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 2023 and 2022:

	United SSE 50 China ETF			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2023</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>19,346,846</u>	<u>-</u>	<u>-</u>	<u>19,346,846</u>
<b>Total</b>	<u>19,346,846</u>	<u>-</u>	<u>-</u>	<u>19,346,846</u>
<b>Liabilities</b>				
Financial derivatives at fair value	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Total</b>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	<u>25,620,585</u>	<u>-</u>	<u>-</u>	<u>25,620,585</u>
<b>Total</b>	<u>25,620,585</u>	<u>-</u>	<u>-</u>	<u>25,620,585</u>
<b>Liabilities</b>				
Financial derivatives at fair value	<u>-</u>	<u>85</u>	<u>-</u>	<u>85</u>
<b>Total</b>	<u>-</u>	<u>85</u>	<u>-</u>	<u>85</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 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.

#### (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
	\$	\$	\$	\$	\$	\$
<b>30 June 2023</b>						
Derivative financial instruments	2	-	2	-	-	2
<b>Total</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>30 June 2022</b>						
Derivative financial instruments	85	-	85	-	-	85
<b>Total</b>	<b>85</b>	<b>-</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>85</b>

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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 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	
	2023	2022
	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Cash and bank balances	178,120	275,648

(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	
	2023	2022
	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>		
Interest income	221	6
<b>United Overseas Bank Limited</b>		
Bank charges	-	34

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 10 Financial ratios

	United SSE 50 China ETF	
	2023	2022
	\$	\$
Total operating expenses	<b>209,926</b>	295,150
Average daily net assets value	<b><u>21,713,794</u></b>	<u>26,363,837</u>
Expense ratio <sup>1</sup>	<b><u>0.97%</u></b>	<u>1.12%</u>
Lower of total value of purchases or sales	<b>3,419,294</b>	3,738,192
Average daily net assets value	<b><u>21,713,794</u></b>	<u>26,363,837</u>
Turnover ratio <sup>2</sup>	<b><u>15.75%</u></b>	<u>14.18%</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 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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