

# United Global Recovery Funds

- United China-India Dynamic Growth Fund
- United High Grade Corporate Bond Fund

Annual Report

for the financial year ended  
31 December 2022



Right By You



**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**MANAGER**

UOB Asset Management Ltd

Registered Address:

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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

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

**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

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**AUDITOR**

PricewaterhouseCoopers LLP

7 Straits View, Marina One

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Singapore 018936

**SUB-MANAGER (UNITED CHINA-INDIA DYNAMIC GROWTH FUND - INDIA PORTFOLIO)**

UTI International (Singapore) Private Limited

3 Raffles Place

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Singapore 048617

**United China-India Dynamic Growth Fund**  
(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 22 February 2010 Ann Comp Ret
United China-India Dynamic Growth Fund	-4.03	-7.33	-25.45	4.64	3.15	8.34	5.50
Benchmark	-0.73	-5.32	-14.45	3.61	2.83	6.86	4.81

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: Since Inception - 30 Aug 15: 50% MSCI China and 50% MSCI India; 31 Aug 15 - Current: 25% SSE 50 China A Share, 25% MSCI China and 50% MSCI India.

For the twelve months ended 31 December 2022, the unit price of the Fund (SGD Class) **declined 25.45%** on a net asset value (NAV) basis versus the 14.45% fall in the benchmark comprising 25% MSCI China, 25% SSE 50 China A Share and 50% MSCI India.

On relative return, the underperformance was mainly due to negative stock selection within **India**. The key performance detractors were **LTI Mindtree Ltd, Coforge Limited** and **Mindtree Ltd**. On the other hand, the top contributors to performance include **Bilibili Inc - Class Z, AU Small Finance Bank** and **New Oriental Education & Technology Group**.

In terms of sectors, positive stock selection in **Energy** and **Communication Services** was offset by our picks in **Information Technology, Consumer Discretionary** and **Utilities**.

As at end 31 December 2022, the Fund had 47.92% in **China** exposure, 46.43% in **Ireland (UTI India Dynamic Equity Fund SGD INT Acc)**, 0.51% in **Hong Kong** and the remainder in cash (5.14%).

The Fund had the following sector allocation: **Unit Trusts** (46.43%), **Consumer Discretionary** (9.77%), **Industrials** (8.33%), **Consumer Staples** (7.52%), **Information Technology** (6.40%), **Materials** (3.78%), **Financials** (3.72%), **Utilities** (3.32%), others(5.59%) with the remainder in cash (5.14%).

**Economic and Market Review**

**China**

In the twelve-month period under review ended 31 December 2022, **China** markets were volatile and were dominated by renewed COVID woes, escalation of geopolitical tension with **US** and **Taiwan** as well as a troubled property market. Nevertheless, the avalanche of government support for **Real Estate** sector provided downside cushion and news of easing epidemic control measures and border reopening were cheered by investors. The Chinese equity markets bottomed out and staged a strong rebound since November.

# United China-India Dynamic Growth Fund

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## A) Fund Performance (continued)

President Xi was elected for a third term as the Party leader at the 20th Party Congress, which signals core leadership strengthening and policy continuity. On monetary policy, the PBoC stated that the degree of monetary policy support should be at least on par with 2022 and will be strengthened if necessary. Unless economic growth and inflationary pressure exceeded expectations, we expect liquidity condition to remain accommodative. On fiscal policy, Ministry of Finance vowed proper expansion of fiscal spending and improving tax support policies to support firms in 2023. We see front-loading of infrastructure investments and direct transfers to spur household consumption.

Since mid-December, market turnover has reduced as positive news of **China's** pivot from its 'Zero-COVID policy' to 'living with COVID' was tempered by concerns over the surge in COVID infections and near-term growth headwinds from virus fears. We expect market sentiment to gradually improve after infection cases peaked and consumption should rebound with reopening and the release of excess savings.

### India

For the twelve months ended 31 December 2022, **Indian** economy faced headwinds from rising inflation as **Russia's** conflict with **Ukraine** caused disruption in supply chains and led to sharp rise in commodity prices. To tame inflation, Reserve Bank of India accelerated interest rate hikes, which saw equity markets adjusting valuations of growth stocks downward.

Nevertheless, the severity of rise in inflation in **India** has been much more controlled as compared to other economies, and the outlook on growth remains stable. Domestic demand has held up well and bearing the impact of supply chain disruptions and elevated commodity costs, corporate earnings have been resilient. Credit growth has picked up significantly over the past few months and is firmly in the double-digit trajectory after remaining muted for the past five to six quarters.

## Outlook and Fund Strategy

### China

We are optimistic about the fundamentals and prospects of the Chinese markets and 'A' shares.

The risk/reward has turned more attractive as policy tone becomes more business-friendly and regulatory concerns appear overdone, with upside from a faster-than-expected reopening. Better-than-expected December economic data and Q4 GDP despite higher infection rate after reopening should provide investor confidence. We expect accommodative monetary policy and expansionary fiscal measures to support growth in 2023.

Key downside risks to our more constructive stance on **China** markets include a slower-than-expected recovery in **China's** economy, bigger-than-expected tail risk from the **Real Estate** sector, a drastic increase in debt risk from LGFV (Local Government Financing Vehicles) and a worsening geopolitical rivalry between **US/China**.

# United China-India Dynamic Growth Fund

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## A) Fund Performance (continued)

### India

Moderation in inflation and normalisation of supply chains shall provide relief from the elevated cost pressures witnessed over the past few quarters and lead to a pick-up in earnings growth.

Equity market appears to be in the slightly expensive zone as current valuations are at 12-13% premium to long-term average. However, earnings accumulation over the next few quarters shall be the driver for the equity market going ahead. We expect **India** to be among the fastest growing large economies and any near-term volatility on account of factors like global inflation, rate hikes, etc should be looked at as an attractive opportunity for long-term investors to increase exposure to equity market.

The past one year has been especially punishing for stocks of growth-oriented companies and long duration assets due to sharp hikes in interest rates globally. In our opinion, inflation shall start to moderate sometime in early 2023 which will provide a pause to rate hike actions, and depending on the future inflation trajectory, may even lead to rate cuts later in the year. This shall act as a positive driver for growth focused portfolios and long duration funds.

### Conclusion

Looking forward, the Fund will *overweight* **China** given that valuations are attractive relative to fundamentals and growth should rebound in the near term driven by consumption recovery.

In the near term, we will *underweight* **India** as equity market valuation is lofty, while growth could be under pressure given above-trend inflationary pressure. We will position for better entry levels when corporate profitability recovers, and valuation corrects. Nevertheless, long-term structural factors such as favourable demographics remain in play for **India** market.

In the longer term, we believe that both **China** and **India**'s domestic economies are rising in importance. The large and growing middle class, high savings rates and low public debt are compelling. Both countries have in place governments that are committed to deliver reforms to enhance sustainable growth and efficiencies. We believe the Fund is strategically positioned to tap into the growth potential of two of the largest emerging economies in the world.

**United China-India Dynamic Growth Fund**  
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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
China	5,289,537	47.92
Hong Kong	56,638	0.51
Ireland	<u>5,124,498</u>	<u>46.43</u>
Portfolio of investments	10,470,673	94.86
Other net assets/(liabilities)	<u>567,238</u>	<u>5.14</u>
<b>Total</b>	<b><u><u>11,037,911</u></u></b>	<b><u><u>100.00</u></u></b>

**ii) Industry**

	Fair Value (S\$)	% of NAV
Communication Services	322,426	2.92
Consumer Discretionary	1,078,538	9.77
Consumer Staples	830,225	7.52
Energy	112,878	1.02
Financials	410,921	3.72
Health Care	125,462	1.14
Industrials	919,668	8.33
Information Technology	706,436	6.40
Materials	417,070	3.78
Real Estate	56,638	0.51
Unit Trusts	5,124,498	46.43
Utilities	<u>365,913</u>	<u>3.32</u>
Portfolio of investments	10,470,673	94.86
Other net assets/(liabilities)	<u>567,238</u>	<u>5.14</u>
<b>Total</b>	<b><u><u>11,037,911</u></u></b>	<b><u><u>100.00</u></u></b>

**United China-India Dynamic Growth Fund**  
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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by** (continued)

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted unit trusts	5,124,498	46.43
Quoted equities	5,346,175	48.43
Other net assets/(liabilities)	<u>567,238</u>	<u>5.14</u>
<b>Total</b>	<b><u>11,037,911</u></b>	<b><u>100.00</u></b>

**iv) Credit rating of quoted bonds**

N/A

**C) Top Ten Holdings**

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UTI INDIA DYNAMIC EQUITY FUND SGD INT ACC	5,124,498	46.43
NEW ORIENTAL EDUCATION & TECHNOLOGY CORP	226,751	2.05
BILIBILI INC - CLASS Z	213,784	1.94
ANHUI KOUZI DISTILLERY CO	212,513	1.93
TOWNGAS SMART ENERGY CO LTD	197,368	1.79
GUANGZHOU GREAT POWER ENERGY AND TECHNOLOGY CO LTD	192,598	1.75
DONGFANG ELECTRIC CORP LTD	178,844	1.62
JOINTO ENERGY INVESTMENT CO LTD	168,545	1.53
YANGTZE OPTICAL FIBRE AND CABLE CO - H	167,200	1.51
AAC TECHNOLOGIES HOLDINGS INC	167,076	1.51



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

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
LARSEN & TOUBRO INFOTECH LTD	657,286	3.18
BAJAJ FINANCE LTD	610,936	2.96
HDFC BANK LTD	589,624	2.85
COSCO SHIPPING PORTS LTD	496,369	2.40
INFOSYS LTD	478,862	2.32
PETROCHINA CO LTD - H	440,428	2.13
KOTAK MAHINDRA BANK LTD	421,345	2.04
HUADIAN POWER INTERNATIONAL CORP LTD - H	419,785	2.03
HOUSING DEVELOPMENT FINANCE CORP	393,087	1.90
TOFFLON SCIENCE & TECHNOLOGY GROUP CO LTD	373,020	1.81

**D) Exposure to derivatives**

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

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

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2022

N/A

ii) There was a net realised loss of SGD 37,510 on derivative contracts during the financial year ended 31 December 2022.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2022

N/A

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2022**

Please refer to the Statements of Portfolio.

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**F) Amount and percentage of borrowings to NAV as at 31 December 2022**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2022**

Total amount of redemptions	SGD	5,518,281
Total amount of subscriptions	SGD	174,460

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2022**

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

**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

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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 31 December 2022 and 31 December 2021

10 largest holdings as at 31 December 2022

	<b>UTI India Dynamic Equity Fund SGD INT ACC</b>	
	<b>Fair Value (US\$)</b>	<b>Percentage of total net assets attributable to unitholders %</b>
LTI MINDTREE LTD	68,038,846	6.27
ICICI BANK LTD	64,661,640	5.96
BAJAJ FINANCE LTD	60,359,418	5.57
HDFC BANK LTD	51,845,819	4.78
INFOSYS LTD	47,953,339	4.42
KOTAK MAHINDRA BANK LTD	43,102,048	3.97
AVENUE SUPERMARTS LIMITED	42,223,974	3.89
HOUSING DEVELOPMENT FINANCE CORP	34,507,384	3.18
INFO EDGE (INDIA) LTD	33,553,534	3.09
COFORGE LIMITED	29,682,526	2.74

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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** (continued)

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2022 and 31 December 2021 (continued)

10 largest holdings as at 31 December 2021

	UTI India Dynamic Equity Fund SGD INT ACC	
	Fair Value (US\$)	Percentage of total net assets attributable to unitholders %
LARSEN & TOUBRO INFOTECH LTD	80,933,100	5.78
BAJAJ FINANCE LTD	75,535,214	5.40
HDFC BANK LTD	73,628,670	5.26
INFOSYS LTD	57,533,676	4.11
KOTAK MAHINDRA BANK LTD	52,385,435	3.74
HOUSING DEVELOPMENT FINANCE CORP	48,825,719	3.49
COFORGE LIMITED	44,497,873	3.18
MINDTREE LTD	43,855,488	3.13
AVENUE SUPERMARTS LIMITED	43,226,843	3.09
ASTRAL POLY TECHNIK LTD	40,697,425	2.91

ii) Expense ratios for the financial year ended 31 December 2022 and 31 December 2021

**UTI India Dynamic Equity Fund SGD INT ACC**

31 December 2022	0.95%
31 December 2021	n/a*

\* SGD INT ACC class hasn't launched as at 31 December 2021.

iii) Turnover ratios for the financial year ended 31 December 2022 and 31 December 2021

**UTI India Dynamic Equity Fund SGD INT ACC**

31 December 2022	-3.49%
31 December 2021	-1.73%

<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.

The Sub-Manager, UTI International (Singapore) Private Limited ("UTIIS") will not use soft dollar arrangements in the execution of trades; and soft dollar arrangements may be proposed if the criteria is documented and the soft dollar arrangements are approved in advance by the Chief Executive Officer of UTIIS.

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

N/A

**United High Grade Corporate Bond Fund**  
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**A) Fund Performance**

**Class A SGD Acc**

	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 24 July 2009 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United High Grade Corporate Bond Fund	-2.13	-5.46	-17.44	-4.06	-0.28	2.24	2.93
Benchmark	-1.49	-5.00	-17.15	-3.80	-0.75	1.70	1.83

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: Jul 09 - Dec 14: Merrill Lynch Global Large Cap Corporate Index, 1-10 yrs; Jan 15 – Present: Barclays Global Aggregate Corporate Benchmark Index.

**Class A SGD Acc (Hedged)**

	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 24 July 2018 Ann Comp Ret
Fund Performance/ Benchmark Returns							
United High Grade Corporate Bond Fund	4.44	-2.18	-17.31	-4.29	N/A	N/A	-0.23
Benchmark	-1.49	-5.00	-17.15	-3.80	N/A	N/A	-0.65

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: Jul 09 - Dec 14: Merrill Lynch Global Large Cap Corporate Index, 1-10 yrs; Jan 15 – Present: Barclays Global Aggregate Corporate Benchmark Index.

For the twelve months ended 31 December 2022, Class A SGD Acc and Class A SGD Acc (Hedged) of the Fund **returned -17.44%** and **-17.31%** respectively performing largely in line with the benchmark Barclays Global Aggregate Corporate Index which returned -17.15% during the same period.

The Fund's performance was mainly attributed to credit selection which contributed +12.30% to total portfolio return while this was offset by the duration shift effect of -14.15%. The Fund was long duration relative to the benchmark in the first three months of the year when **US** 10y rates spiked up from 1.78% in January to 2.33% in March before ending at 3.87% at end-December. However, the Fund focused on credit selection which contributed positively to the Fund's return. Benchmark Investment grade (IG) credit spreads had widened from a low of 107.49 bps at end-January to a high of 171.59 bps at end June, a widening of 64.1 bps in 6 months, before settling at 153.04 bps at end December 2022.

# United High Grade Corporate Bond Fund

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## A) Fund Performance (continued)

Amid market volatility, US IG investors moved up in quality in the first half of the year. By end-December, IG investors have moved down the rating curve as long-duration AAAs were 5 bps wider, AAAs were unchanged, while As and BBBs tightened by 3 bps and 5 bps, respectively. The belly of the curve outperformed, tightening 8-9 bps with front-end spreads widening by 2 bps and the long-end tightening by 4 bps.

In terms of portfolio attribution, sector selection contributed -16.36% of the Fund performance in the full year versus the benchmark's contribution of -17.15%. The Fund's top contributors were from the **REITs**, **Basic Industry**, **Transportation**, **Capital Goods** and **Consumer Non-cyclical** sectors, while the underperformers were mainly from the **Energy**, **Technology** and **Quasi-Sovereigns** sectors.

For regional allocation, the Fund was *overweight* **Asia**, **Australia** and **France**, and *underweight* **United States (US)** and Emerging Markets (EM) ex-Asia. In terms of portfolio attribution, the **UK** contributed -0.85% followed by **Canada** -0.58% and **Japan** -0.20%. Exposure to the **US** was 51.26% and contribution to portfolio return was -7.79% versus the benchmark's contribution to return of -9.40%, which was the right call.

As at end December 2022, the Fund had cash of approximately 3% to meet redemption needs. In terms of currency (FX) allocation, the Fund was largely neutral on the US Dollar (USD); slight *underweight* Euro (EUR) and neutral the Sterling (GBP).

## Economic and Market Review

Financial markets were off to a tough start to the year with most asset classes, from fixed income to equities, posting material total return losses amid high levels of rates volatility. As the US Federal Reserve (Fed) continued to pivot away from ultra-loose monetary policy, investors shed risk, erasing much of the Q4 2021 gains in both fixed income and equities. The **US** treasury markets priced in a more aggressive timeline for rate hikes and yields at the front end of the curve rose as Fed Fund Futures pointed to almost five full hikes by December 2022 meeting (versus approximately three hikes priced in over the same period on December 31, 2021). As it turned out, there were seven rate hikes by end December 2022.

In summary, the first quarter (Jan-March) experienced unprecedented market volatility as yields rose sharply in anticipation of rapidly rising inflation risk in the **US**. The 10y UST rose from a low of 1.78% at end January to 2.33% in March.

In the second quarter, June marked the sharpest pullback for global bonds and capped off one of the worst semi-annual performances on record in both excess and total returns. Rates jumped to 3.02% from 2.84% in May and spreads widened 28.44 bps to 171.59 bps on inflation surprise and the subsequent 75 bps rate hike by the Fed.

Not surprisingly, given the rate and spread volatility, bond technicals also weakened as global investors pulled USD111 billion from IG bond funds (2.7% of asset under management). At the same time, bond supply dropped 5% below the same period last year to USD733 billion.

# United High Grade Corporate Bond Fund

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## A) Fund Performance (continued)

In the second half of the year, credit markets were unable to escape the shift in sentiment as selling across asset classes continued on higher inflation expectations. IG spreads widened by 19 bps to end September at 167 bps, effectively erasing the gains made in July and early August, while IG yields rose 89 bps during the month to 5.74%, 103 bps higher in 3Q22 and IG was at the highest yield since 2009. September total return losses totalled -5.1%, and excess returns were modestly better at -1.2%.

By December, investors were weary from a year defined by intense global central bank tightening, stubborn supply chain issues, the continuation of a global pandemic and a deceleration in economic growth from 2021's robust recovery pace. The Fed raised the policy rate 50 bps to 4.25-4.50% and indicated that it expects to raise the policy rate to 5.00-5.25% in 2023. However, November inflation data produced the second consecutive downside surprise and supported our house view that the **US** economy will be able to come to a bumpy, not hard, landing.

## Outlook and Fund Strategy

To reiterate, our base case scenario leans towards a soft landing and we maintain that the earnings growth remains upbeat which is supportive of growth assets. Overall, our assessment is that while the growth outlook is still positive, we are mindful of a moderating trend. **US** inflation remains a concern and will continue to contribute to near-term market volatility. However, we note that spreads are priced nearly midway between the non-recession and recession average level, but also has the potential to widen out if macro/inflation data surprise on the high side.

## Disclosures

As the Fund is in SGD and the benchmark is in US Dollar (USD), we had an overlay of currency hedges during the year, but the effect was largely neutral on the portfolio. Our global exposure to financial derivatives is calculated based on the commitment approach. This is done by adding the exposure of each financial derivative (for those with and without netting arrangement) and cash collateral values under certain cases.



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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by**

**i) Country**

	Fair Value (S\$)	% of NAV
Australia	979,731	2.03
Canada	1,414,594	2.93
China	2,854,039	5.90
France	3,618,544	7.48
Germany	1,365,367	2.82
Hong Kong	1,196,786	2.48
India	444,681	0.92
Indonesia	663,046	1.37
Ireland	542,647	1.12
Japan	549,638	1.14
Malaysia	481,034	0.99
Netherlands	1,651,948	3.42
Singapore	993,897	2.06
Sweden	1,075,852	2.22
Switzerland	530,655	1.10
United Kingdom	4,303,341	8.90
United States	23,220,616	48.03
Accrued interest receivable on quoted bonds	<u>501,552</u>	<u>1.04</u>
Portfolio of investments	46,387,968	95.95
Other net assets/(liabilities)	<u>1,957,329</u>	<u>4.05</u>
<b>Total</b>	<b><u><u>48,345,297</u></u></b>	<b><u><u>100.00</u></u></b>

**United High Grade Corporate Bond Fund**  
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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by** (continued)

**ii) Industry**

	Fair Value (S\$)	% of NAV
Communication Services	4,484,430	9.28
Consumer Discretionary	3,921,579	8.11
Consumer Staples	2,674,881	5.53
Energy	3,163,056	6.54
Financials	14,125,915	29.22
Government	993,897	2.06
Health Care	3,797,950	7.86
Industrials	3,612,715	7.47
Information Technology	1,844,103	3.81
Materials	1,325,209	2.74
Utilities	5,942,681	12.29
Accrued interest receivable on quoted bonds	<u>501,552</u>	<u>1.04</u>
Portfolio of investments	46,387,968	95.95
Other net assets/(liabilities)	<u>1,957,329</u>	<u>4.05</u>
<b>Total</b>	<b><u><u>48,345,297</u></u></b>	<b><u><u>100.00</u></u></b>

**iii) Asset Class**

	Fair Value (S\$)	% of NAV
Quoted bonds	45,886,416	94.91
Accrued interest receivable on quoted bonds	501,552	1.04
Other net assets/(liabilities)	<u>1,957,329</u>	<u>4.05</u>
<b>Total</b>	<b><u><u>48,345,297</u></u></b>	<b><u><u>100.00</u></u></b>

**United High Grade Corporate Bond Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2022 under review classified by** (continued)

**iv) Credit rating of quoted bonds by Moody’s**

	Fair Value (S\$)	% of NAV
A1	4,225,001	8.73
A2	2,113,849	4.37
A3	6,765,171	13.99
Aa3	716,516	1.48
Aaa	993,897	2.05
Baa1	14,200,002	29.38
Baa2	9,751,206	20.17
Baa3	5,241,382	10.85
Non-rated	1,879,392	3.89
Accrued interest receivable on quoted bonds	<u>501,552</u>	<u>1.04</u>
<b>Total</b>	<b><u><u>46,387,968</u></u></b>	<b><u><u>95.95</u></u></b>

**United High Grade Corporate Bond Fund**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**C) Top Ten Holdings**

10 largest holdings as at 31 December 2022

	<b>Fair Value (S\$)</b>	<b>Percentage of total net assets attributable to unitholders %</b>
JPMORGAN CHASE & CO SR UNSECURED 12/25 VAR	804,434	1.66
NUCOR CORP SR UNSECURED 05/27 4.3	787,472	1.63
CAPITAL ONE FINANCIAL CO SR UNSECURED 05/25 VAR	786,752	1.63
ABBVIE INC SR UNSECURED 05/25 3.6	781,242	1.61
ANHEUSER BUSCH CO/INBEV COMPANY GUARANT 02/26 3.65	776,002	1.60
ANHEUSER-BUSCH INBEV WORLDWIDE COMPANY GUARANT 04/28 4	768,900	1.59
GENERAL MOTORS CO SR UNSECURED 10/32 5.6	754,103	1.56
EATON CORP COMPANY GUARANT 03/33 4.15	752,359	1.56
COREBRIDGE FINANCIAL INC JR SUBORDINATED REGS 12/52 VAR	751,896	1.55
SUEZ SR UNSECURED REGS 11/32 5	734,825	1.52

**United High Grade Corporate Bond Fund**  
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**C) Top Ten Holdings** (continued)

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MERCK & CO INC SR UNSECURED 12/28 1.9	1,355,729	2.10
BOEING CO SR UNSECURED 02/24 1.95	1,091,485	1.69
NEWMONT CORP COMPANY GUARANT 07/32 2.6	1,083,045	1.68
THERMO FISHER SCIENTIFIC SR UNSECURED 10/24 1.215	1,078,093	1.67
SAUDI ELECTRICITY GLOBAL SUKUK SR UNSECURED REGS 09/25 1.74	1,073,913	1.66
NETAPP INC SR UNSECURED 06/27 2.375	969,783	1.50
UBS AG SUBORDINATED REGS 05/24 5.125	867,193	1.34
QIB SUKUK LTD SR UNSECURED REGS 05/22 3.251	815,919	1.26
GENERAL MOTORS FINANCIAL CO SR UNSECURED 04/28 2.4	813,386	1.26
JIANGXI RAILWAY & AVIATION INVESTMENT SR UNSECURED REGS 02/22 4.85	813,349	1.26

**D) Exposure to derivatives**

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

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

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2022

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Foreign currency contracts	25,764,044	719,229	1.49	24,023	0.05

**United High Grade Corporate Bond Fund**  
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**D) Exposure to derivatives** (continued)

- ii) There was a net realised loss of SGD 925,573 on derivative contracts during the financial year ended 31 December 2022.
- iii) There was a net unrealised gain of SGD 695,206 on outstanding derivative contracts marked to market as at 31 December 2022.

**E) Amount and percentage of NAV invested in other schemes as at 31 December 2022**

N/A

**F) Amount and percentage of borrowings to NAV as at 31 December 2022**

N/A

**G) Amount of redemptions and subscriptions for the financial year ended 31 December 2022**

Total amount of redemptions	SGD	27,339,246
Total amount of subscriptions	SGD	21,864,803

**H) The amount and terms of related-party transactions for the financial year ended 31 December 2022**

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

**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

**United High Grade Corporate Bond Fund**  
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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 31 December 2022 and 31 December 2021

N/A

ii) Expense ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

iii) Turnover ratios for the financial year ended 31 December 2022 and 31 December 2021

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

**United Global Recovery Funds**  
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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-funds of United Global Recovery Funds, namely United China-India Dynamic Growth Fund and United High Grade Corporate Bond Fund (collectively referred to as the “Sub-Funds”) 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-Funds during the financial year covered by these financial statements, set out on pages 28 to 85, 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  
24 March 2023



**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENT BY THE MANAGER**

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 28 to 85, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of the sub-funds of United Global Recovery Funds, namely United China-India Dynamic Growth Fund and United High Grade Corporate Bond Fund (collectively referred to as the "Sub-Funds") as at 31 December 2022, 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-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT  
Authorised signatory  
24 March 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED GLOBAL RECOVERY FUNDS**

### ***Our Opinion***

In our opinion, the accompanying financial statements of the sub-funds of United Global Recovery Funds, namely United China-India Dynamic Growth Fund and United High Grade Corporate Bond Fund (collectively referred to as the "Sub-Funds"), 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 positions and portfolio holdings of the Sub-Funds as at 31 December 2022, 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-Funds comprise:

- the Statements of Total Return for the financial year ended 31 December 2022;
- the Statements of Financial Position as at 31 December 2022;
- the Statements of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statements of Portfolio as at 31 December 2022; 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-Funds in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED GLOBAL RECOVERY FUNDS**

### ***Other Information***

The Sub-Funds' Manager (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-Funds' 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-Funds or to cease the Sub-Funds' operations, or has no realistic alternative but to do so.

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

### ***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.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED GLOBAL RECOVERY FUNDS**

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-Funds' 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-Funds' 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-Funds 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.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUNDS OF UNITED GLOBAL RECOVERY FUNDS**

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.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 24 March 2023

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF TOTAL RETURN**

For the financial year ended 31 December 2022

	Note	United China-India Dynamic Growth Fund		United High Grade Corporate Bond Fund	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Income</b>					
Dividends		292,727	352,098	-	-
Interest		62	-	5,747	-
Other income		-	19	34,583	286
<b>Total</b>		<b>292,789</b>	<b>352,117</b>	<b>40,330</b>	<b>286</b>
<b>Less: Expenses</b>					
Management fee	10	215,851	360,758	425,881	529,595
Less: Management fee rebate		(23,527)	-	-	-
Trustee fee	10	5,401	8,489	18,312	23,261
Audit fee		13,673	13,664	12,655	12,650
Registrar fee	10	18,084	25,000	25,000	24,966
Valuation fee	10	17,988	30,063	66,544	82,749
Administration fee	10	35,975	60,127	26,618	33,100
Custody fee	10	48,879	104,246	25,373	36,027
Transaction costs		78,757	153,565	453	541
Interest expenses		-	-	246	288
Other expenses		196,020	229,433	48,072	19,309
<b>Total</b>		<b>607,101</b>	<b>985,345</b>	<b>649,154</b>	<b>762,486</b>
<b>Net income/(losses)</b>		<b>(314,312)</b>	<b>(633,228)</b>	<b>(608,824)</b>	<b>(762,200)</b>
<b>Net gains/(losses) on value of investments and financial derivatives</b>					
Net gains/(losses) on investments		(4,246,246)	3,037,759	(9,937,033)	594,204
Net gains/(losses) on financial derivatives		(37,510)	(39,174)	(230,367)	(779,640)
Net foreign exchange gains/(losses)		(14,153)	38,140	30,981	45,781
		<b>(4,297,909)</b>	<b>3,036,725</b>	<b>(10,136,419)</b>	<b>(139,655)</b>
<b>Total return/(deficit) for the financial year before income tax</b>		<b>(4,612,221)</b>	<b>2,403,497</b>	<b>(10,745,243)</b>	<b>(901,855)</b>
Less: Income tax	3	(28,901)	(36,012)	(2,931)	(5,279)
Less: Capital gains tax refund/(expense)	3	355,752	(514,136)	-	-
<b>Total return/(deficit) for the financial year</b>		<b>(4,285,370)</b>	<b>1,853,349</b>	<b>(10,748,174)</b>	<b>(907,134)</b>

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF FINANCIAL POSITION**

As at 31 December 2022

	Note	United China-India Dynamic Growth Fund		United High Grade Corporate Bond Fund	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Assets</b>					
Portfolio of investments		10,470,673	20,454,504	46,387,968	62,146,190
Sales awaiting settlement		-	1,213,254	-	-
Receivables	4	28,738	50,209	47,017	98,312
Cash and bank balances		623,564	403,071	1,361,752	2,367,278
Margin accounts		-	-	27,111	41,699
Financial derivatives at fair value	6	-	2,046	719,229	160,800
<b>Total assets</b>		<u>11,122,975</u>	<u>22,123,084</u>	<u>48,543,077</u>	<u>64,814,279</u>
<b>Liabilities</b>					
Purchases awaiting settlement		-	328,044	-	-
Bank overdrafts		-	475,172	-	-
Payables	5	85,064	652,256	173,757	224,562
Financial derivatives at fair value	6	-	510	24,023	21,803
<b>Total liabilities</b>		<u>85,064</u>	<u>1,455,982</u>	<u>197,780</u>	<u>246,365</u>
<b>Equity</b>					
<b>Net assets attributable to unitholders</b>	7	<u>11,037,911</u>	<u>20,667,102</u>	<u>48,345,297</u>	<u>64,567,914</u>

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS**

For the financial year ended 31 December 2022

	Note	United China-India Dynamic Growth Fund		United High Grade Corporate Bond Fund	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>20,667,102</b>	19,040,135	<b>64,567,914</b>	68,105,511
<b>Operations</b>					
Change in net assets attributable to unitholders resulting from operations		<b>(4,285,370)</b>	1,853,349	<b>(10,748,174)</b>	(907,134)
<b>Unitholders' contributions/(withdrawals)</b>					
Creation of units		<b>174,460</b>	14,701,934	<b>21,864,803</b>	42,976,589
Cancellation of units		<b>(5,518,281)</b>	(14,928,316)	<b>(27,339,246)</b>	(45,607,052)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(5,343,821)</b>	(226,382)	<b>(5,474,443)</b>	(2,630,463)
Total increase/(decrease) in net assets attributable to unitholders		<b>(9,629,191)</b>	1,626,967	<b>(16,222,617)</b>	(3,537,597)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b><u>11,037,911</u></b>	<u>20,667,102</u>	<b><u>48,345,297</u></b>	<u>64,567,914</u>

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



**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China-India Dynamic Growth Fund</b>		
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Primary</b>			
<b>Quoted unit trusts</b>			
<b>IRELAND</b>			
UTI INDIA DYNAMIC EQUITY FUND SGD INT ACC	510,764	5,124,498	46.43
<b>Quoted equities</b>			
<b>CHINA</b>			
AAC TECHNOLOGIES HOLDINGS INC	54,500	167,076	1.51
AIR CHINA LTD	50,800	103,890	0.94
ALIBABA GROUP HOLDING LTD	7,700	114,123	1.03
ANHUI EXPRESSWAY CO LTD - H	112,000	121,058	1.10
ANHUI KOUZI DISTILLERY CO	19,100	212,513	1.93
BANK OF CHINA LTD - H	235,000	114,686	1.04
BILIBILI INC - CLASS Z	6,660	213,784	1.94
BYD CO LTD - H	4,000	132,385	1.20
CHINA CONSTRUCTION BANK CORP	52,900	57,460	0.52
CHINA MEIDONG AUTO HOLDINGS LTD	34,000	93,598	0.85
CHINA MERCHANTS BANK CO LTD - H	15,500	116,262	1.05
DONGFANG ELECTRIC CORP LTD	44,100	178,844	1.62
FLAT GLASS GROUP CO LTD	23,500	151,024	1.37
FORYOU CORP	24,000	153,820	1.39
FUYAO GLASS INDUSTRY GROUP CO LTD	15,700	106,228	0.96
GANFENG LITHIUM CROUP CO LTD - H	11,200	112,204	1.02
G-BITS NETWORK TECHNOLOGY XIAMEN CO LTD	1,800	108,642	0.98
GEM CO LTD	115,600	165,710	1.50
GUANGZHOU GREAT POWER ENERGY AND TECHNOLOGY CO LTD	12,800	192,598	1.75

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China-India Dynamic Growth Fund</b>		
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>CHINA (continued)</b>			
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	10,100	60,407	0.55
JIANGSU EXPRESS CO LTD - H	106,000	129,873	1.18
JOINTO ENERGY INVESTMENT CO LTD	166,400	168,545	1.53
KWEICHOW MOUTAI CO LTD	400	133,277	1.21
MEITUAN - CLASS B	3,500	105,071	0.95
NEW ORIENTAL EDUCATION & TECHNOLOGY CORP	46,300	226,751	2.05
PETROCHINA CO LTD - H	184,000	112,878	1.02
PINDUODUO INC - ADR	1,340	146,562	1.33
POSTAL SAVINGS BANK OF CHINA CO LTD - H	147,000	122,513	1.11
PROYA COSMETICS CO LTD	3,700	119,555	1.08
RLX TECHNOLOGY INC - ADR	49,574	152,924	1.39
SHANGHAI PUTAILAI NEW ENERGY TECHNOLOGY CO LTD	13,900	139,156	1.26
SHENZHEN EVERWIN PRECISION TECHNOLOGY CO LTD	82,196	163,815	1.48
SHENZHEN YINGHE TECHNOLOGY CO LTD	35,400	120,682	1.09
SINO WEALTH ELECTRONIC LTD	8,400	57,321	0.52
SINOPHARM GROUP CO - H	36,800	125,462	1.14
TINGYI (CAYMAN ISLANDS) HOLDING CORP	64,000	151,549	1.37
TOWNGAS SMART ENERGY CO LTD	293,000	197,368	1.79
YANGTZE OPTICAL FIBRE AND CABLE CO - H	70,000	167,200	1.51

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

**United China-India Dynamic Growth Fund**

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted equities</b>			
<b>CHINA (continued)</b>			
ZTO EXPRESS CAYMAN INC	2,000	<u>72,723</u>	<u>0.66</u>
<b>TOTAL CHINA</b>		<u><b>5,289,537</b></u>	<u><b>47.92</b></u>
<b>HONG KONG</b>			
CHINA OVERSEAS LAND AND INVESTMENT LTD	16,000	<u>56,638</u>	<u>0.51</u>
<b>Total Equities</b>		<u><b>5,346,175</b></u>	<u><b>48.43</b></u>
<b>Portfolio of investments</b>		<b>10,470,673</b>	<b>94.86</b>
<b>Other net assets/(liabilities)</b>		<u><b>567,238</b></u>	<u><b>5.14</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>11,037,911</b></u>	<u><b>100.00</b></u>

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China-India Dynamic Growth Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2022</b>	Percentage of total net assets attributable to unitholders at 31 December 2021
	%	%
<b>By Geography - Primary (Summary)</b>		
<b>Quoted equities and unit trusts</b>		
China	<b>47.92</b>	44.74
Hong Kong	<b>0.51</b>	-
India	-	52.72
Ireland	<b>46.43</b>	-
Singapore	-	1.51
<b>Portfolio of investments</b>	<b>94.86</b>	98.97
<b>Other net assets/(liabilities)</b>	<b>5.14</b>	1.03
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United China-India Dynamic Growth Fund</b>		
	<b>Fair value at 31 December 2022</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2021</b>
	\$	%	%
<b>By Industry - Secondary</b>			
<b>Quoted equities and unit trusts</b>			
Communication Services	322,426	2.92	3.37
Consumer Discretionary	1,078,538	9.77	15.81
Consumer Staples	830,225	7.52	7.54
Energy	112,878	1.02	2.73
Financials	410,921	3.72	21.71
Health Care	125,462	1.14	11.21
Industrials	919,668	8.33	13.87
Information Technology	706,436	6.40	9.77
Materials	417,070	3.78	6.69
Real Estate	56,638	0.51	-
Unit Trusts	5,124,498	46.43	-
Utilities	365,913	3.32	6.27
<b>Portfolio of investments</b>	<b>10,470,673</b>	<b>94.86</b>	<b>98.97</b>
<b>Other net assets/(liabilities)</b>	<b>567,238</b>	<b>5.14</b>	<b>1.03</b>
<b>Net assets attributable to unitholders</b>	<b>11,037,911</b>	<b>100.00</b>	<b>100.00</b>

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	
<b>By Geography - Primary</b>			
<b>Quoted bonds</b>			
<b>AUSTRALIA</b>			
NATIONAL AUSTRALIA BANK SUBORDINATED 06/30 VAR	200,000	183,806	0.38
WESFARMERS LTD SR UNSECURED REGS 06/28 1.941	200,000	151,196	0.31
WOODSIDE FINANCE LTD COMPANY GUARANT REGS 03/25 3.65	500,000	<u>644,729</u>	<u>1.34</u>
<b>TOTAL AUSTRALIA</b>		<u><b>979,731</b></u>	<u><b>2.03</b></u>
<b>CANADA</b>			
BELL CANADA COMPANY GUARANT 02/24 2.7	500,000	481,406	1.00
BELL CANADA COMPANY GUARANT 03/51 4.05	200,000	156,753	0.32
ENBRIDGE INC JR SUBORDINATED 01/83 VAR	400,000	526,237	1.09
TELUS CORP SR UNSECURED 04/43 4.4	300,000	<u>250,198</u>	<u>0.52</u>
<b>TOTAL CANADA</b>		<u><b>1,414,594</b></u>	<u><b>2.93</b></u>
<b>CHINA</b>			
ALIBABA GROUP HOLDING SR UNSECURED 11/24 3.6	500,000	649,012	1.34
BAIDU INC SR UNSECURED 04/25 3.075	400,000	505,517	1.05
ENN ENERGY HOLDINGS LTD SR UNSECURED REGS 05/27 4.625	500,000	652,353	1.35
INDUSTRIAL & COMMERCIAL BANK OF CHINA SUBORDINATED REGS 09/25 4.875	500,000	663,176	1.37

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

**United Global Recovery Funds**  
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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		<b>Percentage of total net assets attributable to unitholders at</b>
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>CHINA (continued)</b>			
TENCENT HOLDINGS LTD SR UNSECURED REGS 04/51 3.84	400,000	<u>383,981</u>	<u>0.79</u>
<b>TOTAL CHINA</b>		<b><u>2,854,039</u></b>	<b><u>5.90</u></b>
<b>FRANCE</b>			
CREDIT AGRICOLE SA SR UNSECURED REGS 10/26 VAR	400,000	570,827	1.18
ORANGE SA SR UNSECURED REGS 12/25 5.25	400,000	653,528	1.35
PERNOD RICARD SA SR UNSECURED REGS 11/32 3.75	400,000	569,857	1.18
SOCIETE GENERALE SR UNSECURED REGS 12/30 VAR	400,000	551,479	1.14
SUEZ SR UNSECURED REGS 11/32 5	500,000	734,825	1.52
TOTALENERGIES SE JR SUBORDINATED REGS 12/49 VAR	400,000	<u>538,028</u>	<u>1.11</u>
<b>TOTAL FRANCE</b>		<b><u>3,618,544</u></b>	<b><u>7.48</u></b>
<b>GERMANY</b>			
E.ON SE SR UNSECURED REGS 08/28 2.875	500,000	686,118	1.42
RWE AG SR UNSECURED REGS 05/26 2.125	500,000	<u>679,249</u>	<u>1.40</u>
<b>TOTAL GERMANY</b>		<b><u>1,365,367</u></b>	<b><u>2.82</u></b>

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**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		<b>Percentage of total net assets attributable to unitholders at</b>
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>HONG KONG</b>			
CMB INTERNATIONAL LEASING MANAGEMENT 09/24 0.5	500,000	677,250	1.40
LENOVO GROUP LTD SR UNSECURED REGS 07/32 6.536	400,000	<u>519,536</u>	<u>1.08</u>
<b>TOTAL HONG KONG</b>		<u><b>1,196,786</b></u>	<u><b>2.48</b></u>
<b>INDIA</b>			
RELIANCE INDUSTRIES LTD SR UNSECURED REGS 01/52 3.625	500,000	444,681	0.92
<b>INDONESIA</b>			
PELABUHAN INDONESIA PERSERO SR UNSECURED REGS 10/24 4.875	500,000	663,046	1.37
<b>IRELAND</b>			
VODAFONE INTERNAT FINANC COMPANY GUAR REGS 12/34 3.75	400,000	542,647	1.12
<b>JAPAN</b>			
MITSUBISHI UFJ FINANCIAL GROUP SR UNSECURED 07/39 3.751	500,000	549,638	1.14
<b>MALAYSIA</b>			
PETRONAS CAPITAL LTD COMPANY GUARANT REGS 04/50 4.55	400,000	481,034	0.99

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**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		<b>Percentage of total net assets attributable to unitholders at</b>
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>NETHERLANDS</b>			
ABN AMRO BANK NV SR UNSECURED REGS 02/30 4.25	400,000	567,236	1.17
AIRBUS SE SR UNSECURED REGS 06/40 2.375	300,000	326,257	0.68
ENEL FINANCE INTERNATIONAL NV COMPANY GUARANT REGS 10/39 6	200,000	246,467	0.51
IBERDROLA INTERNATIONAL BV COMPANY GUARANT REGS 12/99 VAR	400,000	<u>511,988</u>	<u>1.06</u>
<b>TOTAL NETHERLANDS</b>		<u><b>1,651,948</b></u>	<u><b>3.42</b></u>
<b>SINGAPORE</b>			
MAS BILLS 27/01/23 0.00000	500,000	498,552	1.03
SINGAPORE TREASURY BILLS 03/23 0.00000	500,000	<u>495,345</u>	<u>1.03</u>
<b>TOTAL SINGAPORE</b>		<u><b>993,897</b></u>	<u><b>2.06</b></u>
<b>SWEDEN</b>			
SKANDINAVISKA ENSKILDA SR UNSECURED REGS 11/26 4	250,000	359,336	0.74
SWEDBANK AB SR UNSECURED REGS 11/25 3.75	500,000	<u>716,516</u>	<u>1.48</u>
<b>TOTAL SWEDEN</b>		<u><b>1,075,852</b></u>	<u><b>2.22</b></u>
<b>SWITZERLAND</b>			
UBS AG SUBORDINATED REGS 05/24 5.125	400,000	530,655	1.10

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**United Global Recovery Funds**  
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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>UNITED KINGDOM</b>			
BP CAPITAL MARKETS PLC COMPANY GUARANT REGS 12/99 VAR	400,000	528,347	1.09
HSBC HOLDINGS PLC SUBORDINATED 11/33 VAR	400,000	571,018	1.18
NATIONAL GRID PLC SR UNSECURED REGS 03/30 2.949	500,000	658,283	1.36
NATIONWIDE BLDG SOCIETY SR UNSECURED REGS 12/27 VAR	200,000	323,739	0.67
NATWEST GROUP PLC SR UNSECURED 06/24 VAR	500,000	664,582	1.38
SEVERN TRENT WATER UTIL COMPANY GUAR REGS 11/34 4.625	400,000	606,258	1.25
SSE PLC SR UNSECURED REGS 08/29 2.875	400,000	536,224	1.11
STANDARD CHARTERED PLC SR UNSECURED REGS 11/25 VAR	300,000	<u>414,890</u>	<u>0.86</u>
<b>TOTAL UNITED KINGDOM</b>		<u><b>4,303,341</b></u>	<u><b>8.90</b></u>
<b>UNITED STATES</b>			
ABBVIE INC SR UNSECURED 05/25 3.6	600,000	781,242	1.61
AIR LEASE CORP SR UNSECURED 12/27 5.85	500,000	671,487	1.39
AMAZON.COM INC SR UNSECURED 12/32 4.7	500,000	668,230	1.38
ANHEUSER BUSCH CO/INBEV COMPANY GUARANT 02/26 3.65	600,000	776,002	1.60
ANHEUSER-BUSCH INBEV WORLDWIDE COMPANY GUARANT 04/28 4	600,000	768,900	1.59

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**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>UNITED STATES (continued)</b>			
AT&T INC SR UNSECURED 02/52 3.3	400,000	361,922	0.75
BANK OF AMERICA CORP SR UNSECURED 04/28 VAR	500,000	643,272	1.33
BANK OF AMERICA CORP SR UNSECURED 07/26 VAR	500,000	663,286	1.37
BOEING CO SR UNSECURED 05/50 5.805	450,000	565,009	1.17
BROOKLYN UNION GAS CO SR UNSECURED REGS 08/32 4.866	500,000	630,916	1.30
CAPITAL ONE FINANCIAL CO SR UNSECURED 05/25 VAR	600,000	786,752	1.63
CHURCH & DWIGHT CO INC SR UNSECURED 11/32 5.6	400,000	560,122	1.16
COMCAST CORP COMPANY GUARANT 10/28 4.15	400,000	516,519	1.07
COREBRIDGE FINANCIAL INC JR SUBORDINATED REGS 12/52 VAR	600,000	751,896	1.55
CVS HEALTH CORP SR UNSECURED 03/48 5.05	500,000	608,381	1.26
DISCOVER FINANCIAL SERVICES SR UNSECURED 11/32 6.7	500,000	686,017	1.42
EATON CORP COMPANY GUARANT 03/33 4.15	600,000	752,359	1.56
ELEVANCE HEALTH INC SR UNSECURED 05/52 4.55	400,000	472,181	0.98
GE HEALTHCARE TECHNOLOGIES INC COMPANY GUARANT REGS 03/30 5.857	500,000	689,495	1.43
GENERAL MOTORS CO SR UNSECURED 10/32 5.6	600,000	754,103	1.56
GENERAL MOTORS FINANCIAL CO SR UNSECURED 04/27 5	500,000	651,737	1.35

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**United Global Recovery Funds**  
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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>			
<b>Quoted bonds</b>			
<b>UNITED STATES (continued)</b>			
HP INC SR UNSECURED 01/33 5.5	400,000	507,228	1.05
HUMANA INC SR UNSECURED 03/33 5.875	500,000	696,358	1.44
IBM CORP SR UNSECURED 02/52 3.43	400,000	381,259	0.79
JPMORGAN CHASE & CO SR UNSECURED 07/33 VAR	500,000	643,562	1.33
JPMORGAN CHASE & CO SR UNSECURED 12/25 VAR	600,000	804,434	1.66
LOCKHEED MARTIN CORP SR UNSECURED 11/54 5.7	500,000	714,797	1.48
MCDONALD'S CORP SR UNSECURED 09/52 5.15	400,000	521,157	1.08
METLIFE INC SR UNSECURED 07/52 5	400,000	514,066	1.06
MORGAN STANLEY SUBORDINATED 04/37 VAR	500,000	616,995	1.28
NEWMONT CORP COMPANY GUARANT 07/32 2.6	500,000	537,737	1.11
NORFOLK SOUTHERN CORP SR UNSECURED 06/53 4.55	500,000	591,247	1.22
NUCOR CORP SR UNSECURED 05/27 4.3	600,000	787,472	1.63
ORACLE CORP SR UNSECURED 07/44 4.5	400,000	436,080	0.90
TOYOTA MOTOR CREDIT CORP SR UNSECURED 06/25 3.95	400,000	526,144	1.09
UNITEDHEALTH GROUP INC SR UNSECURED 02/28 5.25	400,000	550,293	1.14

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**United Global Recovery Funds**  
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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>	
	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 \$</b>
		<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>By Geography - Primary (continued)</b>		
<b>Quoted bonds</b>		
<b>UNITED STATES (continued)</b>		
VERIZON COMMUNICATIONS SR UNSECURED 02/29 3.875	500,000	<u>631,959</u> <u>1.31</u>
<b>TOTAL UNITED STATES</b>		<u><b>23,220,616</b></u> <u><b>48.03</b></u>
<b>Accrued interest receivable on quoted bonds</b>		<u><b>501,552</b></u> <u><b>1.04</b></u>
<b>Total Bonds</b>		<u><b>46,387,968</b></u> <u><b>95.95</b></u>
<b>Portfolio of investments</b>		<u><b>46,387,968</b></u> <u><b>95.95</b></u>
<b>Other net assets/(liabilities)</b>		<u><b>1,957,329</b></u> <u><b>4.05</b></u>
<b>Net assets attributable to unitholders</b>		<u><b>48,345,297</b></u> <u><b>100.00</b></u>

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2022</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2021</b>
	%	%
<b>By Geography - Primary (Summary)</b>		
<b>Quoted bonds</b>		
Australia	2.03	2.71
Canada	2.93	2.91
China	5.90	10.47
France	7.48	9.95
Germany	2.82	6.28
Hong Kong	2.48	3.45
India	0.92	2.43
Indonesia	1.37	0.84
Ireland	1.12	0.84
Italy	-	2.35
Japan	1.14	2.46
Malaysia	0.99	-
Netherlands	3.42	2.78
Norway	-	1.13
Qatar	-	1.26
Saudi Arabia	-	1.66
Singapore	2.06	1.90
Sweden	2.22	-
Switzerland	1.10	1.34
Thailand	-	1.05
United Kingdom	8.90	3.70
United States	48.03	36.16
Accrued interest receivable on quoted bonds	1.04	0.58
<b>Portfolio of investments</b>	<b>95.95</b>	<b>96.25</b>
<b>Other net assets/(liabilities)</b>	<b>4.05</b>	<b>3.75</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

**United Global Recovery Funds**  
(Constituted under a Trust Deed in the Republic of Singapore)

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**STATEMENTS OF PORTFOLIO**

As at 31 December 2022

	<b>United High Grade Corporate Bond Fund</b>		
	<b>Fair value at 31 December 2022 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2021 %</b>
<b>By Industry - Secondary</b>			
<b>Quoted bonds</b>			
Communication Services	4,484,430	9.28	7.56
Consumer Discretionary	3,921,579	8.11	6.89
Consumer Staples	2,674,881	5.53	1.03
Energy	3,163,056	6.54	10.36
Financials	14,125,915	29.22	34.16
Government	993,897	2.06	-
Health Care	3,797,950	7.86	6.76
Industrials	3,612,715	7.47	5.81
Information Technology	1,844,103	3.81	7.99
Materials	1,325,209	2.74	4.89
Real Estate	-	-	2.46
Utilities	5,942,681	12.29	7.76
Accrued interest receivable on quoted bonds	<u>501,552</u>	<u>1.04</u>	<u>0.58</u>
<b>Portfolio of investments</b>	<b>46,387,968</b>	<b>95.95</b>	<b>96.25</b>
<b>Other net assets/(liabilities)</b>	<b><u>1,957,329</u></b>	<b><u>4.05</u></b>	<b><u>3.75</u></b>
<b>Net assets attributable to unitholders</b>	<b><u>48,345,297</u></b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>

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

# **United Global Recovery Funds**

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

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## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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

### **1 General**

United Global Recovery Funds (the “Fund”) is a Singapore-registered umbrella fund constituted under a Trust Deed between UOB Asset Management Ltd (the “Manager”) and State Street Trust (SG) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

The Fund currently offers two sub-funds, namely United China-India Dynamic Growth Fund and United High Grade Corporate Bond Fund (collectively referred to as the “Sub-Funds” or individually referred to as the “Sub-Fund”).

#### **United China-India Dynamic Growth Fund**

The investment objective of this Sub-Fund is to achieve medium to long term capital appreciation through investing mainly in the securities of corporations in, or corporations listed or to be listed on stock exchanges in, or corporations (wherever located) which, in the opinion of the Manager, derive significant revenue or profits from or have significant assets or business interests in, the People’s Republic of China (“China”) or the Republic of India (“India”).

The Sub-Fund offers the following class of units for subscription:

- Class SGD (available for subscription in the Singapore Dollar and the United States Dollar at the applicable rate of exchange from the Singapore Dollar)



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 1 General (continued)

#### United High Grade Corporate Bond Fund

The investment objective of this Sub-Fund is to maximise returns over the long term through investments in a portfolio which consists mainly of investment grade corporate bonds issued globally.

The following classes of units have been established:

- Class A SGD Acc
- Class A SGD Acc (Hedged)
- Class A SGD Dist
- Class A SGD Dist (Hedged)
- Class B SGD Acc
- Class B SGD Acc (Hedged)
- Class B SGD Dist
- Class B SGD Dist (Hedged)
- Class Z SGD Acc (Hedged)
- Class Z SGD Dist (Hedged)
- Class Z USD Acc
- Class Z USD Dist

“Acc” refers to Accumulation classes which do not declare or pay distributions but accumulate investment gains and income in their net asset values (“NAV”).

“Dist” refers to Distribution classes which declare and pay distributions in accordance with the applicable distribution policies of the Sub-Fund.

Hedged classes allow the Manager to adopt currency hedging strategies and use currency hedging transactions to reduce the effect of exchange rate fluctuations between the currency in which the relevant Hedged classes is denominated against the currency in which the underlying investments are denominated. The costs and expenses associated with the hedging transactions and any benefits of the hedging transactions will accrue to the hedged classes only.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

### **1 General** (continued)

#### **United High Grade Corporate Bond Fund** (continued)

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

As at 31 December 2022, the Fund has issued Class A SGD Acc and Class A SGD Acc (Hedged) units.

### **2 Significant accounting policies**

#### **(a) Basis of preparation**

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

#### **(b) Recognition of income**

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

#### **(c) Investments**

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

##### *(i) Initial recognition*

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

##### *(ii) Subsequent measurement*

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **2 Significant accounting policies** (continued)

#### **(c) Investments** (continued)

##### *(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 Statements of Total Return.

#### **(d) Basis of valuation of investments**

The fair value of financial assets and liabilities traded in active markets is based on last quoted market prices at the close of trading on the financial year end date for equities and market mid prices for the quoted debt securities on the financial year end date. 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. Accrued interest or discount or premium on debt securities at financial year end date is included in the fair value of debt securities. Interest income on debt securities is presented within "Net gains/losses on investments" on the Statements of Total Return.

The fair value of investments held in the Investee Fund is the quoted net asset value of the Investee Fund as determined by the Investee Fund's administrator. Net changes in fair value of investments are included in the Statements of Total Return in the year in which they arise.

#### **(e) Foreign currency translation**

##### *(i) Functional and presentation currency*

The performance of the Sub-Funds 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-Funds operate. The financial statements are presented in the Singapore Dollar, which is the Sub-Funds' functional and presentation currency.

##### *(ii) Transactions and balances*

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **2 Significant accounting policies** (continued)

#### **(f) Receivables**

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

#### **(g) Sales and purchases awaiting settlement**

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statements 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. These also include bank overdrafts that form an integral part of the Sub-Fund's cash management. Bank overdrafts are shown in current liabilities in the Statements of Financial Position.

#### **(i) Payables**

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

#### **(j) Management fee rebates**

The management fees charged on investments in the Investee Fund managed by UTI International (Singapore) Private Limited are rebated to the Sub-Fund.

#### **(k) 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 Statements of Total Return.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### 2 Significant accounting policies (continued)

#### (l) 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-Funds. 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.

#### (m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements 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-Funds or the counterparty.

Cash collateral provided by the Sub-Fund is identified in the Statements of Financial Position as margin cash and is not included as a component of cash and bank balances.

#### (n) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

United China-India Dynamic Growth Fund considers its investments in another fund ("Investee Fund") to be investments in unconsolidated structured entities. The Sub-Fund invests in Investee Fund whose objective is to achieve medium to long-term growth through investment primarily in growth oriented Indian stocks which are listed on the BSE and NSE exchanges in India. The Investee Fund is managed by unrelated asset managers and the Investee Fund applies various investment strategies to accomplish its investment objective. The Investee Fund finances its operations by issuing redeemable shares which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Sub-Fund holds redeemable shares in the Investee Fund.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 Significant accounting policies** (continued)

**(n) Structured entities** (continued)

The change in fair value of the Investee Fund is included in the Statements of Total Return within “Net gains/losses on investments”.

**3 Income tax**

	<b>United China-India Dynamic Growth Fund</b>		<b>United High Grade Corporate Bond Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
Overseas income tax	<b>28,901</b>	36,012	<b>2,931</b>	5,279
Capital gains tax (refund)/expense	<b>(355,752)</b>	514,136	-	-

The Trustee of the Sub-Funds has assessed and is satisfied that the Sub-Funds have met the requisite conditions under the Designated Unit Trust (“DUT”) Scheme for the current financial year. The Trustee of the Sub-Funds will ensure that the Sub-Funds fulfill their reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act 1947);
- (iii) dividends derived from outside Singapore and received in Singapore;
- (iv) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (v) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (vi) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

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

Capital gains tax represents tax on capital gains sourced from India.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**3 Income tax** (continued)

The Sub-Funds are required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Sub-Funds' gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Sub-Funds. Therefore when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

**United China-India Dynamic Growth Fund**

As at 31 December 2022, the Sub-Fund has uncertain tax exposure with respect to gains on investment of which the tax liability is estimated to be \$nil (2021: \$459,635). While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

**4 Receivables**

	<b>United China-India Dynamic Growth Fund</b>		<b>United High Grade Corporate Bond Fund</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts receivable for creation of units	-	1,200	<b>27,814</b>	38,943
Dividends receivable	<b>3,973</b>	-	-	-
Management fee rebate receivable	<b>11,686</b>	-	-	-
Other receivables	<b>13,079</b>	49,009	<b>19,203</b>	59,369
	<b>28,738</b>	50,209	<b>47,017</b>	98,312

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 Payables**

	<b>United China-India Dynamic Growth Fund</b>		<b>United High Grade Corporate Bond Fund</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts payable for cancellation of units	-	13,730	<b>17,617</b>	3,061
Amount due to the Manager	<b>45,713</b>	86,752	<b>113,439</b>	156,830
Amount due to Trustee	<b>1,260</b>	1,868	<b>4,292</b>	5,934
Tax payables	<b>169</b>	459,635	<b>38</b>	5,294
Other creditors and accrued expenses	<b>37,922</b>	90,271	<b>38,371</b>	53,443
	<b>85,064</b>	652,256	<b>173,757</b>	224,562

**6 Financial derivatives at fair value**

Financial derivatives contracts comprise of foreign currency contracts for the sale and purchase of foreign currencies and futures. 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 China-India Dynamic Growth Fund 2021		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	1,514,170	2,046	510



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**6 Financial derivatives at fair value** (continued)

	<b>United High Grade Corporate Bond Fund 2022</b>		
	<b>Contract or underlying principal amount</b>	<b>Positive fair value</b>	<b>Negative fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Foreign currency contracts	<b>25,764,044</b>	<b>719,229</b>	<b>24,023</b>
		2021	
	<b>Contract or underlying principal amount</b>	<b>Positive fair value</b>	<b>Negative fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Futures	674,075	-	4,950
Foreign currency contracts	25,485,814	<u>160,800</u>	<u>16,853</u>
		<u>160,800</u>	<u>21,803</u>

There were no outstanding financial derivatives as at 31 December 2022 for United China-India Dynamic Growth Fund.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue**

During the financial years ended 31 December 2022 and 2021, the numbers of units issued, redeemed and outstanding were as follows:

	<b>United China-India Dynamic Growth Fund</b>	
	<b>2022</b>	2021
Units at the beginning of the financial year	<b>7,884,175</b>	7,924,518
Units created	<b>73,565</b>	5,699,328
Units cancelled	<u><b>(2,438,762)</b></u>	<u>(5,739,671)</u>
Units at the end of the financial year*	<u><b>5,518,978</b></u>	<u>7,884,175</u>
*Included above are units denominated in USD	<b>276,165</b>	276,165
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders	<b>11,037,911</b>	20,667,102
Net assets value per unit	<b>1.999</b>	2.621

As at reporting date, there is 1 unitholder (2021: Nil) holding more than 50% of the units in issue of the Sub-Fund.

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:

	<b>United China-India Dynamic Growth Fund</b>	
	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per financial statements per unit	<b>1.999</b>	2.621
Effect of (over)/under provision of tax	-	0.058
Effect of bid/ask price adjustment	-	0.001
Effect of late posting of management fee rebate	<u><b>(0.001)</b></u>	<u>-</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u><b>1.998</b></u>	<u>2.680</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 Units in issue** (continued)

	<b>United High Grade Corporate Bond Fund</b>			
	<b>Class A SGD Acc</b>		<b>Class A SGD Acc (Hedged)</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
Units at the beginning of the financial year	<b>22,339,225</b>	18,623,968	<b>20,662,902</b>	28,427,634
Units created	<b>4,791,215</b>	16,230,733	<b>13,330,139</b>	11,278,812
Units cancelled	<b>(11,266,786)</b>	(12,515,476)	<b>(8,750,499)</b>	(19,043,544)
Units at the end of the financial year*	<b><u>15,863,654</u></b>	<u>22,339,225</u>	<b><u>25,242,542</u></b>	<u>20,662,902</u>
*Included above are units denominated in USD	<b>1,973,311</b>	4,893,762	-	-
	\$	\$	\$	\$
Net assets attributable to unitholders	<b>23,360,366</b>	39,842,342	<b>24,984,931</b>	24,725,572
Net assets value per unit	<b>1.472</b>	1.783	<b>0.989</b>	1.196

There is no 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-Funds' activities expose them to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds 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-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

The Sub-Funds' assets principally consist of financial instruments such as equity investments, fixed interest investments, investments into other funds and cash. They are held in accordance with the published investment policies of the Sub-Funds. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **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-Funds' 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-Funds. Guidelines are set to reduce the Sub-Funds' risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, alternatively, the Sub-Funds may be hedged using derivative strategies.

#### *(i) Foreign exchange risk*

The Sub-Funds have 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-Funds.

**United Global Recovery Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

The tables below summarise the Sub-Funds' exposures to foreign currencies at the end of the financial year.

**United China-India Dynamic Growth Fund**

**As at 31 December 2022**

	HKD \$	INR \$	SGD \$	RMB \$	USD \$	Total \$
<b>Assets</b>						
Portfolio of investments	2,653,203	-	5,124,498	2,393,486	299,486	10,470,673
Receivables	2,282	-	24,765	1,691	-	28,738
Cash and bank balances	143	-	612,349	(1,442)	12,514	623,564
<b>Total Assets</b>	<u>2,655,628</u>	-	<u>5,761,612</u>	<u>2,393,735</u>	<u>312,000</u>	<u>11,122,975</u>
<b>Liabilities</b>						
Payables	-	-	84,895	169	-	85,064
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>84,895</u>	<u>169</u>	<u>-</u>	<u>85,064</u>
 <b>Net currency exposure</b>	 <u>2,655,628</u>	 <u>-</u>	 <u>5,676,717</u>	 <u>2,393,566</u>	 <u>312,000</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

United China-India Dynamic Growth Fund  
As at 31 December 2021

	HKD	INR	SGD	RMB	USD	Total
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Portfolio of investments	5,177,659	10,895,717	312,156	4,068,972	-	20,454,504
Sales awaiting settlement	1,209,870	3,384	-	-	-	1,213,254
Receivables	-	-	50,209	-	-	50,209
Cash and bank balances	<u>176</u>	<u>356,130</u>	<u>-</u>	<u>88</u>	<u>46,677</u>	<u>403,071</u>
<b>Total Assets</b>	<u>6,387,705</u>	<u>11,255,231</u>	<u>362,365</u>	<u>4,069,060</u>	<u>46,677</u>	<u>22,121,038</u>
<b>Liabilities</b>						
Purchases awaiting settlement	301,744	26,300	-	-	-	328,044
Bank overdrafts	-	-	475,172	-	-	475,172
Payables	<u>-</u>	<u>-</u>	<u>192,621</u>	<u>-</u>	<u>-</u>	<u>192,621</u>
<b>Total Liabilities</b>	<u>301,744</u>	<u>26,300</u>	<u>667,793</u>	<u>-</u>	<u>-</u>	<u>995,837</u>
<b>Net Assets</b>						
Foreign currency contracts (notional value)	<u>(909,662)</u>	<u>-</u>	<u>909,662</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net currency exposure</b>	<u>5,176,299</u>	<u>11,228,931</u>	<u>604,234</u>	<u>4,069,060</u>	<u>46,677</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

(i) *Foreign exchange risk* (continued)

**United High Grade Corporate Bond Fund**

**As at 31 December 2022**

	EUR	USD	GBP	SGD	Others	Total
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Portfolio of investments	9,853,083	32,716,854	1,590,036	993,897	1,234,098	46,387,968
Receivables	-	-	-	47,017	-	47,017
Cash and bank balances	545	11,752	12,205	1,335,666	1,584	1,361,752
Margin accounts	-	27,111	-	-	-	27,111
<b>Total Assets</b>	<u>9,853,628</u>	<u>32,755,717</u>	<u>1,602,241</u>	<u>2,376,580</u>	<u>1,235,682</u>	<u>47,823,848</u>
<b>Liabilities</b>						
Payables	-	-	-	173,719	38	173,757
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,719</u>	<u>38</u>	<u>173,757</u>
<b>Net Assets</b>	9,853,628	32,755,717	1,602,241	2,202,861	1,235,644	
Foreign currency contracts (notional value)	-	(25,239,850)	-	24,300,494	939,356	
<b>Net currency exposure</b>	<u>9,853,628</u>	<u>7,515,867</u>	<u>1,602,241</u>	<u>26,503,355</u>	<u>2,175,000</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(i) Foreign exchange risk (continued)*

United High Grade Corporate Bond Fund  
As at 31 December 2021

	EUR \$	USD \$	GBP \$	SGD \$	Others \$	Total \$
<b>Assets</b>						
Portfolio of investments	14,678,751	43,137,367	2,616,430	-	1,713,642	62,146,190
Receivables	-	-	-	98,312	-	98,312
Cash and bank balances	1,162	1,817,130	5,608	539,814	3,564	2,367,278
Margin accounts	-	41,699	-	-	-	41,699
<b>Total Assets</b>	<u>14,679,913</u>	<u>44,996,196</u>	<u>2,622,038</u>	<u>638,126</u>	<u>1,717,206</u>	<u>64,653,479</u>
<b>Liabilities</b>						
Payables	4,738	539	-	219,244	41	224,562
Financial derivatives at fair value (excluding foreign currency contracts)	-	4,950	-	-	-	4,950
<b>Total Liabilities</b>	<u>4,738</u>	<u>5,489</u>	<u>-</u>	<u>219,244</u>	<u>41</u>	<u>229,512</u>
<b>Net Assets</b>	14,675,175	44,990,707	2,622,038	418,882	1,717,165	
Foreign currency contracts (notional value)	-	(24,941,642)	-	23,875,828	1,065,814	
<b>Net currency exposure</b>	<u>14,675,175</u>	<u>20,049,065</u>	<u>2,622,038</u>	<u>24,294,710</u>	<u>2,782,979</u>	

**United China-India Dynamic Growth Fund**

Investments, which is the significant item in the Statements 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 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

(i) *Foreign exchange risk* (continued)

**United High Grade Corporate Bond Fund**

Investments, which is the significant item in the Statements of Financial Position, is exposed to foreign exchange risk and interest rate risk. Foreign exchange risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Sub-Fund's monetary assets and liabilities to changes in foreign exchange movements at 31 December 2022 and 2021. The analysis is based on the assumptions that the functional currency increased/decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

Currency	2022		2021	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
EUR	5	492,681	4	587,007
USD	5	375,793	4	801,963
GBP	8	128,179	7	183,543

(ii) *Price risk*

The COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Sub-Funds. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(ii) Price risk (continued)*

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.

**United China-India Dynamic Growth Fund**

The table below summarises the impact of increases/decreases from the Sub-Fund's investments in equities and Investee Fund on the Sub-Fund's net assets attributable to unitholders at 31 December 2022 and 2021. The analysis is based on the assumption that the index components within the benchmark and the price of the Investee Fund increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Sub-Fund's investments and the Investee Fund moved according to the historical correlation with the index.

Benchmark component	2022		2021	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
25% SSE 50 China A Share, 25% MSCI China and 50% MSCI India	<b>20</b>	<b>2,041,646</b>	20	3,930,958

**United High Grade Corporate Bond Fund**

The market prices of financial assets held by the Sub-Fund are dependent on prevailing market interest rates, as the Sub-Fund invests in bonds issued by government and corporations. No separate price risk sensitivity analyses are prepared as they are covered as part of interest risk sensitivity analysis.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **8 Financial risk management** (continued)

#### **(a) Market risk** (continued)

##### *(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.

#### **United China-India Dynamic Growth Fund**

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

Hence, no sensitivity analysis has been presented separately.

#### **United High Grade Corporate Bond Fund**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Sub-Fund holds interest bearing securities that expose the Sub-Fund to fair value interest rate risk. The Sub-Fund holds securities of varying maturities and interest rate sensitivities. Movement in market interest rates will affect the valuation of the Sub-Fund's securities by varying degrees. The Sub-Fund's policy requires the Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Sub-Fund's portfolio is a measure of the sensitivity of the fair value of the Sub-Fund's fixed interest securities to changes in market interest rates.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(iii) Interest rate risk (continued)*

The tables below summarise the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and trading liabilities at fair value, categorised by interest rate types.

	<b>United High Grade Corporate Bond Fund</b>			
	<b>Variable rates</b>	<b>Fixed rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	\$	\$	\$	\$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments	10,295,138	35,591,278	501,552	46,387,968
Receivables	-	-	47,017	47,017
Cash and bank balances	1,361,752	-	-	1,361,752
Margin accounts	27,111	-	-	27,111
Financial derivatives at fair value	-	-	719,229	719,229
<b>Total Assets</b>	<b>11,684,001</b>	<b>35,591,278</b>	<b>1,267,798</b>	<b>48,543,077</b>
<b>Liabilities</b>				
Payables	-	-	173,757	173,757
Financial derivatives at fair value	-	-	24,023	24,023
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>197,780</b>	<b>197,780</b>
	Variable rates	Fixed rate	Non-interest bearing	Total
	\$	\$	\$	\$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments	16,537,573	45,235,837	372,780	62,146,190
Receivables	-	-	98,312	98,312
Cash and bank balances	2,367,278	-	-	2,367,278
Margin accounts	41,699	-	-	41,699
Financial derivatives at fair value	-	-	160,800	160,800
<b>Total Assets</b>	<b>18,946,550</b>	<b>45,235,837</b>	<b>631,892</b>	<b>64,814,279</b>
<b>Liabilities</b>				
Payables	-	-	224,562	224,562
Financial derivatives at fair value	-	4,950	16,853	21,803
<b>Total Liabilities</b>	<b>-</b>	<b>4,950</b>	<b>241,415</b>	<b>246,365</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(a) Market risk** (continued)

*(iii) Interest rate risk (continued)*

As at 31 December 2022 and 2021, should interest rates have lowered or risen by the respective basis points (“bps”) as disclosed below with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the year would be as follows:

	2022		2021	
	Volatility bps	Net impact to net assets attributable to unitholders \$	Volatility bps	Net impact to net assets attributable to unitholders \$
<b>United High Grade Corporate Bond Fund</b>	<b>50</b>	<b>1,031,598</b>	50	1,637,817

The Sub-Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of changes on the earnings of certain companies in which the Sub-Fund invests and impact on the valuation of certain over-the-counter derivative products that use market interest rates as an input. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Sub-Fund’s net assets attributable to unitholders of future movements in interest rates.

**(b) Liquidity risk**

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Funds maintain sufficient cash and bank balances and that they are 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-Funds’ investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges. The Sub-Fund’s investments in the Investee Fund are considered to be readily realisable as the net assets value is struck daily, and units are redeemable on demand at the published price.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(b) Liquidity risk** (continued)

The tables below analyse the Sub-Funds' 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.

	<b>United China-India Dynamic Growth Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2022</b>			
Payables	<b>85,064</b>	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2021			
Purchases awaiting settlement	328,044	-	-
Bank overdrafts	475,172	-	-
Payables	192,621	-	-
Financial derivatives at fair value			
- Foreign currency contracts	510	-	-

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(b) Liquidity risk** (continued)

	<b>United High Grade Corporate Bond Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2022</b>			
Payables	173,757	-	-
Financial derivatives at fair value			
- Foreign currency contracts	24,023	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 31 December 2021</b>			
Payables	224,562	-	-
Financial derivatives at fair value			
- Futures	4,950	-	-
- Foreign currency contracts	16,853	-	-

The tables below analyse the Sub-Funds' 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 Statements of Financial Position date to the contractual maturity date.

	<b>United China-India Dynamic Growth Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2021</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	302,254	-	-
- outflow	(302,764)	-	-

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(b) Liquidity risk** (continued)

	<b>United High Grade Corporate Bond Fund</b>		
	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>Over 1 year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at 31 December 2022</b>			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	521,506	-	-
- outflow	(545,529)	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
<b>As at 31 December 2021</b>			
Financial derivatives at fair value			
- Futures			
- inflow	674,075	-	-
- outflow	(679,025)	-	-
- Foreign currency contracts			
- inflow	1,065,814	-	-
- outflow	(1,082,667)	-	-

There are no financial derivatives in a liability position as at 31 December 2022 for United China-India Dynamic Growth Fund.



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(c) Credit risk**

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

As such, the Sub-Funds do not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Sub-Funds do not have a material exposure to group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

**United High Grade Corporate Bond Fund**

The table below analyses the Sub-Fund's investments by credit ratings as rated by Moody's expressed as a percentage of net assets attributable to unitholders. The credit ratings are reviewed regularly.

	<b>United High Grade Corporate Bond Fund</b>			
	<b>Debt securities</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Fixed Rate securities</b>	<b>Floating Rate securities</b>	<b>Fixed Rate securities</b>	<b>Floating Rate securities</b>
A1	<b>6%</b>	<b>3%</b>	8%	1%
A2	<b>1%</b>	<b>3%</b>	3%	2%
A3	<b>9%</b>	<b>5%</b>	4%	5%
Aa2	-	-	-	1%
Aa3	<b>1%</b>	-	-	-
Aaa	<b>2%</b>	-	-	-
Ba1	-	-	1%	-
Baa1	<b>24%</b>	<b>5%</b>	15%	3%
Baa2	<b>19%</b>	<b>1%</b>	12%	6%
Baa3	<b>7%</b>	<b>4%</b>	17%	6%
Non-rated	<b>4%</b>	-	10%	1%

**United Global Recovery Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(c) Credit risk** (continued)

All transactions in listed securities are settled/paid upon delivery and transacted with approved counterparties using an approved list of brokers that is regularly assessed and updated by the Manager. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

In order to monitor the credit quality of the "Non-rated" underlying debt securities, the Manager, on the basis of internal research, prepares its own shadow ratings for the various instruments for which publicly available credit ratings are not available. The non-rated securities comprise of debt securities issued by companies from various countries.

Credit risk also arises from cash and bank balances, margin accounts and bank overdrafts and derivative positions held with financial institutions. The tables below summarise the credit rating of banks and custodians in which the Sub-Funds' assets are held as at 31 December 2022 and 2021.

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

**United China-India Dynamic Growth Fund**

	<b>Credit rating as at 31 December 2022</b>	Credit rating as at 31 December 2021
<b>Bank and custodian</b>		
State Street Bank and Trust Company	<b>aa-</b>	aa-
<b>Counterparty of foreign currency contracts</b>		
State Street Bank and Trust Company	<b>n/a*</b>	aa-

\* *The Sub-Fund has no exposure to the counterparty as at 31 December 2022.*

The custodian of the Investee Fund is Citi Depository Services Ireland DAC, which is a subsidiary of the Citigroup Inc. As at 31 December 2022, Citigroup Inc is rated a (31 December 2021: a) based on the Viability ratings by Fitch.

**United Global Recovery Funds**  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(c) Credit risk** (continued)

**United High Grade Corporate Bond Fund**

	<b>Credit rating as at 31 December 2022</b>	Credit rating as at 31 December 2021
<b>Bank and custodian</b>		
State Street Bank and Trust Company	aa-	aa-
<b>Margin accounts</b>		
StoneX Financial Pte. Ltd.	n/a*	non-rated
Morgan Stanley & Co. International Plc	a+	n/a*
<b>Counterparties of foreign currency contracts</b>		
State Street Bank and Trust Company	aa-	aa-
BNP Paribas	a+	a+
Australia and New Zealand Banking Group	a+	a+
United Overseas Bank Limited	aa-	n/a*
Westpac Banking Corporation	a+	n/a*
<b>Counterparty of futures</b>		
StoneX Financial Pte. Ltd.	n/a*	non-rated

\* *The Sub-Fund has no exposure to the counterparties as at 31 December 2022 or 2021.*

The maximum exposure to credit risk at the financial year end date is the carrying amount of the portfolio of investments, cash and bank balances, margin accounts and bank overdrafts as presented in Statements of Financial Position.

For purposes of impairment assessment, the Sub-Funds' 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### **8 Financial risk management** (continued)

#### **(d) Capital management**

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

#### **(e) Fair value estimation**

The Sub-Funds classify 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 31 December 2022

**8 Financial risk management** (continued)

**(e) Fair value estimation** (continued)

The following tables analyse within the fair value hierarchy, the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2022 and 2021:

<b>United China-India Dynamic Growth Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	5,346,175	-	-	5,346,175
- Quoted unit trusts	5,124,498	-	-	5,124,498
<b>Total</b>	<u>10,470,673</u>	<u>-</u>	<u>-</u>	<u>10,470,673</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted equities	20,454,504	-	-	20,454,504
Financial derivatives at fair value	-	2,046	-	2,046
<b>Total</b>	<u>20,454,504</u>	<u>2,046</u>	<u>-</u>	<u>20,456,550</u>
<b>Liabilities</b>				
Financial derivatives at fair value	-	510	-	510
<b>Total</b>	<u>-</u>	<u>510</u>	<u>-</u>	<u>510</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(e) Fair value estimation** (continued)

<b>United High Grade Corporate Bond Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted bonds	-	<b>46,387,968</b>	-	<b>46,387,968</b>
Financial derivatives at fair value	-	<b>719,229</b>	-	<b>719,229</b>
<b>Total</b>	-	<b>47,107,197</b>	-	<b>47,107,197</b>
<b>Liabilities</b>				
Financial derivatives at fair value	-	<b>24,023</b>	-	<b>24,023</b>
<b>Total</b>	-	<b>24,023</b>	-	<b>24,023</b>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Portfolio of investments				
- Quoted bonds	-	62,146,190	-	62,146,190
Financial derivatives at fair value	-	160,800	-	160,800
<b>Total</b>	-	<b>62,306,990</b>	-	<b>62,306,990</b>
<b>Liabilities</b>				
Financial derivatives at fair value	4,950	16,853	-	21,803
<b>Total</b>	4,950	16,853	-	21,803

Investment whose values are based on quoted market prices in active markets and therefore classified within Level 1, include listed equities and exchange traded derivatives. The Sub-Funds do not adjust the quoted price for these instruments.

Investments in open-ended investment funds whose net assets value are struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified within Level 1. The quoted price for these financial instruments is not adjusted.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

### **8 Financial risk management** (continued)

#### **(e) Fair value estimation** (continued)

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 investment grade corporate and government bonds and over-the-counter derivatives.

Except for cash and bank balances, margin accounts and bank overdrafts which are classified as Level 1, the Sub-Funds' assets and liabilities not measured at fair value at 31 December 2022 and 2021 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(f) Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the Statements 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 Statements of Financial Position are disclosed in the first three columns of the tables below.

**United China-India Dynamic Growth Fund**

Financial assets	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Statements of Financial Position	Net amount of financial assets set off in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2022</b>						
Derivative financial instruments	-	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>31 December 2021</b>						
Derivative financial instruments	2,046	-	2,046	(510)	-	1,536
<b>Total</b>	<u>2,046</u>	<u>-</u>	<u>2,046</u>	<u>(510)</u>	<u>-</u>	<u>1,536</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(f) Offsetting financial assets and financial liabilities** (continued)

**United China-India Dynamic Growth Fund**

Financial liabilities	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statements of Financial Position	Net amount of financial liabilities presented in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2022</b>						
Derivative financial instruments	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2021</b>						
Derivative financial instruments	510	-	510	(510)	-	-
<b>Total</b>	<b>510</b>	<b>-</b>	<b>510</b>	<b>(510)</b>	<b>-</b>	<b>-</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(f) Offsetting financial assets and financial liabilities** (continued)

**United High Grade Corporate Bond Fund**

Financial assets	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Statements of Financial Position	Net amount of financial assets set off in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2022</b>						
Derivative financial instruments	719,229	-	719,229	(24,017)	-	695,212
<b>Total</b>	<b>719,229</b>	<b>-</b>	<b>719,229</b>	<b>(24,017)</b>	<b>-</b>	<b>695,212</b>
<b>31 December 2021</b>						
Derivative financial instruments	160,800	-	160,800	(6,385)	-	154,415
<b>Total</b>	<b>160,800</b>	<b>-</b>	<b>160,800</b>	<b>(6,385)</b>	<b>-</b>	<b>154,415</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**8 Financial risk management** (continued)

**(f) Offsetting financial assets and financial liabilities** (continued)

**United High Grade Corporate Bond Fund**

Financial liabilities	Effects of offsetting on the Statements of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statements of Financial Position	Net amount of financial liabilities presented in the Statements of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
<b>31 December 2022</b>						
Derivative financial instruments	24,023	-	24,023	(24,017)	-	6
<b>Total</b>	<b>24,023</b>	<b>-</b>	<b>24,023</b>	<b>(24,017)</b>	<b>-</b>	<b>6</b>
<b>31 December 2021</b>						
Derivative financial instruments	16,853	-	16,853	(6,385)	-	10,468
<b>Total</b>	<b>16,853</b>	<b>-</b>	<b>16,853</b>	<b>(6,385)</b>	<b>-</b>	<b>10,468</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

### **9 Structured entities**

#### **United China-India Dynamic Growth Fund**

The Sub-Fund's investments in the Investee Fund are subject to the terms and conditions of the Investee Fund's offering documentation and is susceptible to market price risk arising from uncertainties about future value of the Investee Fund. The Manager makes investment decisions after extensive due diligence of the Investee Fund, its strategy and the overall quality of the Investee Fund's manager. The Investee Fund's portfolio manager is compensated by the Investee Fund for its services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Sub-Fund's investments in the Investee Fund.

The Sub-Fund has the right to request redemption of its investment in the Investee Fund on a daily basis.

The exposure to investments in the Investee Fund at fair value is disclosed under the Statement of Portfolio. These investments are included within "Portfolio of Investments" in the Statement of Financial Position.

The Sub-Fund's holdings in an Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time, dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Sub-Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Sub-Fund's maximum exposure to loss from its interests in the Investee Fund is equal to the total fair value of its investments in the Investee Fund.

Once the Sub-Fund has disposed of its shares in the Investee Fund, the Sub-Fund ceases to be exposed to any risk from it.

### **10 Related party transactions**

(a) The Manager and the Trustee of the Sub-Funds 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, valuation fee and administration fee are paid to the Manager for the financial year. Trustee fee is paid to the Trustee while registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch.

These fees paid or payable by the Sub-Funds shown in the Statements 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**10 Related party transactions** (continued)

(b) As at the end of the financial year, the Sub-Funds maintained the following accounts with their related parties:

	<b>United China-India Dynamic Growth Fund</b>		<b>United High Grade Corporate Bond Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Cash and bank balances	<b>623,564</b>	403,071	<b>1,361,752</b>	2,367,278
Bank overdrafts	-	(475,172)	-	-

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

	<b>United China-India Dynamic Growth Fund</b>		<b>United High Grade Corporate Bond Fund</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	\$	\$	\$	\$
<b>State Street Bank and Trust Company, Singapore Branch</b>				
Interest income	<b>62</b>	-	<b>5,165</b>	-
Interest expense	-	-	-	274
<b>United Overseas Bank Limited</b>				
Bank charges	<b>440</b>	1,450	<b>4,199</b>	6,751

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**11 Financial ratios**

	<b>United China-India Dynamic Growth Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Total operating expenses	<b>528,344</b>	831,780
Average daily net assets value	<b>14,282,227</b>	24,085,353
Investee Fund's expense ratio	<b>0.44%</b>	-
Expense ratio <sup>1</sup>	<b>4.14%</b>	3.45%
Lower of total value of purchases or sales	<b>22,068,744</b>	37,455,074
Average daily net assets value	<b>14,282,227</b>	24,085,353
Turnover ratio <sup>2</sup>	<b>154.52%</b>	155.51%

1 *The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). This is the sum of the Sub-Fund's expense ratio and the Investee Fund's unaudited expense ratios. The unaudited expense ratio of the Investee Fund is obtained from Investee Fund's manager. The calculation of the Sub-Fund's expense ratio at 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, performance fee, 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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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**11 Financial ratios** (continued)

	<b>United High Grade Corporate Bond Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Class A SGD Acc</b>		
Total operating expenses	<b>341,064</b>	420,149
Average daily net assets value	<u><b>27,826,687</b></u>	<u>36,633,594</u>
Expense ratio <sup>1</sup>	<u><b>1.23%</b></u>	<u>1.15%</u>
<b>Class A SGD Acc (Hedged)</b>		
Total operating expenses	<b>307,391</b>	341,508
Average daily net assets value	<u><b>25,286,224</b></u>	<u>29,575,947</u>
Expense ratio <sup>1</sup>	<u><b>1.22%</b></u>	<u>1.15%</u>
Lower of total value of purchases or sales	<b>143,845,576</b>	272,306,452
Average daily net assets value	<u><b>53,112,911</b></u>	<u>66,209,541</u>
Turnover ratio <sup>2</sup>	<u><b>270.83%</b></u>	<u>411.28%</u>

<sup>1</sup> *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, performance fee, 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.*

<sup>2</sup> *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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