



# United Global Quality Equity Fund

Annual Report  
30 June 2024



# **UNITED GLOBAL QUALITY EQUITY FUND**

## **Audited Annual Report and Financial Statements For the Financial Year Ended 30 June 2024**

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## (A) MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of United Global Quality Equity Fund (the "Fund") for the financial year ended 30 June 2024.

### (1) Key Data of the Fund

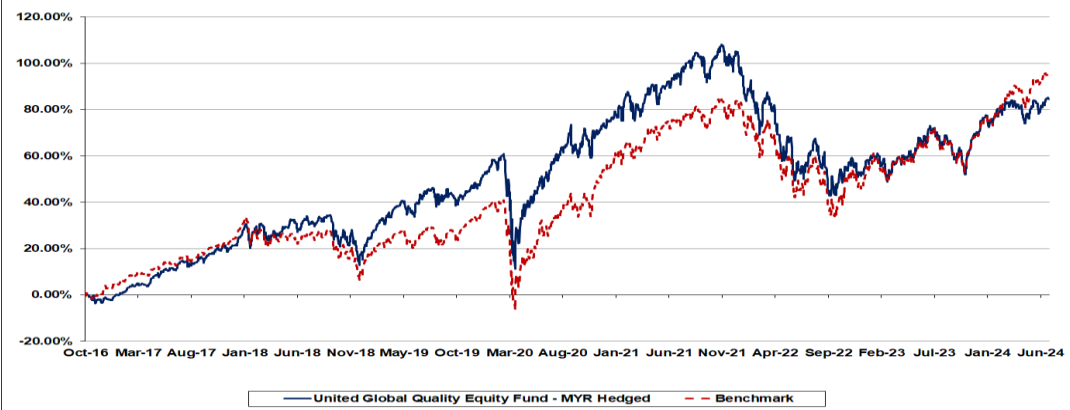
<b>1.1</b>	<b>Fund name</b>	United Global Quality Equity Fund
<b>1.2</b>	<b>Name of target fund</b>	United Global Quality Growth Fund
<b>1.3</b>	<b>Fund category</b>	Equity (feeder fund)
<b>1.4</b>	<b>Fund type</b>	Growth
<b>1.5</b>	<b>Investment objective</b>	The Fund seeks to provide Long Term (i.e. a period of at least five (5) years) capital appreciation by investing in the United Global Quality Growth Fund ("Target Fund") which invests in equities and equity-related securities of companies listed and traded on stock exchanges globally.
<b>1.6</b>	<b>Performance benchmark</b>	Morgan Stanley Capital Investment All Country World Index ("MSCI All Country World Index"), which is also the performance benchmark of the Target Fund.
<b>1.7</b>	<b>Duration</b>	The Fund was launched on 26 September 2016 and shall exist for as long as it appears to the Manager and Trustee that it is in the interests of the unit holders for it to continue. In some circumstances, the unit holders can resolve at a meeting to terminate the Fund.
<b>1.8</b>	<b>Distribution policy</b>	Subject to the availability of income, distribution is incidental. Distribution declared (if any) will be automatically reinvested into the unit holders' accounts in the form of additional units in the Fund at no cost.

### (2) Performance Data of the Fund

<b>2.1</b>	<b>Portfolio composition</b>	Details of portfolio composition of the Fund for the financial years as at 30 June are as follows:			
		<b>Sectors, category of investments &amp; cash holdings</b>	<b>As at 30 June 2024 (%)</b>	<b>As at 30 June 2023 (%)</b>	<b>As at 30 June 2022 (%)</b>
		Collective investment scheme	99.78	98.86	94.99
		Cash	0.22	1.14	5.01
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	
<b>2.2</b>	<b>Performance details</b>	Performance details of the Fund for the financial years as at 30 June are as follows:			
			<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>	<b>As at 30 June 2022</b>
		Net Asset Value ("NAV") (RM)			
		- MYR hedged Class	942,338,234	829,315,223	729,428,842
		- USD Class	44,592,640	52,689,471	63,630,253
- SGD hedged Class	41,077,802	42,779,077	39,350,033		
- AUD hedged Class	32,604,375	35,399,771	33,224,894		

<b>2.2</b>	<b>Performance details (continued)</b>	NAV per unit in RM			
		- MYR hedged Class	0.7673	0.7017	0.6386
		- USD Class	3.7090	3.2744	2.7633
		- SGD hedged Class	2.2569	2.0341	1.7005
		- AUD hedged Class	1.6842	1.5192	1.3582
		NAV per unit in respective currencies			
		- MYR hedged Class (RM)	0.7673	0.7017	0.6386
		- USD Class (USD)	0.7866	0.7019	0.6272
		- SGD hedged Class (SGD)	0.6488	0.5902	0.5373
		- AUD hedged Class (AUD)	0.5349	0.4893	0.4484
		Units in circulation			
		- MYR hedged Class	1,228,112,047	1,181,811,445	1,142,265,694
		- USD Class	12,022,682	16,091,308	23,027,229
		- SGD hedged Class	18,200,644	21,031,321	23,140,350
		- AUD hedged Class	19,359,095	23,301,923	24,462,465
		Highest NAV per unit in respective currencies			
		- MYR hedged Class (RM)	0.7707	0.7017	0.8812
		- USD Class (USD)	0.7899	0.7019	0.8684
		- SGD hedged Class (SGD)	0.6515	0.5902	0.7475
		- AUD hedged Class (AUD)	0.5373	0.4893	0.6218
		Lowest NAV per unit in respective currencies			
		- MYR hedged Class (RM)	0.6316	0.5935	0.6231
		- USD Class (USD)	0.6384	0.5835	0.6118
		- SGD hedged Class (SGD)	0.5336	0.4984	0.5244
		- AUD hedged Class (AUD)	0.4403	0.4157	0.4374
		Total return (%)			
		- MYR hedged Class	9.38	9.88	-20.35
- USD Class	12.08	11.91	-21.07		
- SGD hedged Class	9.96	9.85	-21.46		
- AUD hedged Class	9.32	9.12	-22.02		
Capital growth (%)					
- MYR hedged Class	9.38	9.88	-22.51		
- USD Class	12.08	11.91	-23.20		
- SGD hedged Class	9.96	9.85	-23.59		
- AUD hedged Class	9.32	9.12	-23.83		
Income distribution (%)					
- MYR hedged Class	-	-	2.16		
- USD Class	-	-	2.13		
- SGD hedged Class	-	-	2.13		
- AUD hedged Class	-	-	1.81		
Gross distribution (sen per unit) in respective currencies					
- MYR hedged Class (RM)	-	-	2.19		
- USD Class (USD)	-	-	2.15		
- SGD hedged Class (SGD)	-	-	1.86		
- AUD hedged Class (AUD)	-	-	1.33		

<b>2.2 Performance details (continued)</b>	Net distribution (sen per unit) in respective currencies			
	- MYR hedged Class (RM)	-	-	2.19
	- USD Class (USD)	-	-	2.15
	- SGD hedged Class (SGD)	-	-	1.86
	- AUD hedged Class (AUD)	-	-	1.33
	Total expense ratio ("TER") (%)	1.84 <sup>1</sup>	1.84	1.85
	Portfolio turnover ratio ("PTR") (times)	0.07 <sup>2</sup>	0.08	0.24
	<sup>1</sup> TER is consistent with the previous financial year.			
	<sup>2</sup> PTR is lower against previous financial year mainly due to increase in average fund size.			
	<b>Average total return (annualised) for the following periods ended 30 June 2024</b>			
		<b>The Fund (%)</b>	<b>Benchmark<sup>#</sup> (%)</b>	
	Since commencement (17 October 2016)			
	- MYR hedged Class	8.28	9.05	
	- USD Class	8.62	9.05	
	Since commencement (31 July 2017)			
	- SGD hedged Class	6.65	7.78	
	Since commencement (20 August 2019)			
	- AUD hedged Class	3.11	9.90	
	1 year			
	- MYR hedged Class	9.35	17.40	
	- USD Class	12.05	17.40	
- SGD hedged Class	9.93	17.40		
- AUD hedged Class	9.29	17.40		
3 year				
- MYR hedged Class	-1.44	3.66		
- USD Class	-0.33	3.66		
- SGD hedged Class	-1.74	3.66		
- AUD hedged Class	-2.38	3.66		
5 year				
- MYR hedged Class	5.30	8.90		
- USD Class	6.12	8.90		
- SGD hedged Class	4.65	8.90		
- AUD hedged Class	-	-		
<b>Annual total return</b>				
<b>Financial years ended</b>	<b>The Fund (%)</b>	<b>Benchmark<sup>#</sup> (%)</b>		
<b>30 June</b>				
2024				
- MYR hedged Class	9.38	17.45		
- USD Class	12.08	17.45		
- SGD hedged Class	9.96	17.45		
- AUD hedged Class	9.32	17.45		

2.2	<b>Performance details (continued)</b>	2023 - MYR hedged Class - USD Class - SGD hedged Class - AUD hedged Class 2022 - MYR hedged Class - USD Class - SGD hedged Class - AUD hedged Class 2021 - MYR hedged Class - USD Class - SGD hedged Class - AUD hedged Class 2020 - MYR hedged Class - USD Class - SGD hedged Class Since commencement (20 August 2019) - 30 June 2020 - AUD hedged Class	9.88 11.91 9.85 9.12 -20.35 -21.07 -21.46 -22.02 27.06 27.05 26.70 23.14 6.49 7.06 4.44 1.34	14.42 14.42 14.42 14.42 -17.11 -17.11 -17.11 -17.11 37.16 37.16 37.16 37.16 0.28 0.28 0.28 3.61
		# The benchmark of the Fund is MSCI All Country World Index.		
		<b>Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.</b>		
2.3	<b>Performance review</b>	<p><u>MYR hedged Class</u></p> <p>For the financial period under review, the Class registered a return of 9.38% against the benchmark return of 17.45%.</p> <p>For the period under review, the NAV per unit of the Class increased by 9.38% from RM 0.7017 to RM 0.7675.</p> <p>The line chart below shows comparison between the performance of the Class and its benchmark, MSCI All Country World Index, from the commencement of the Class to 30 June 2024.</p> 		
		Source: UOBAM(M) as at 30 June 2024.		

2.3	Performance review (continued)		1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
		<b>The Fund</b>	3.17%	1.21%	3.97%	9.38%	84.59%
		<b>Benchmark*</b>	2.10%	2.35%	10.32%	17.45%	95.04%

Source: UOBAM(M), Lipper and Bloomberg as at 30 June 2024.

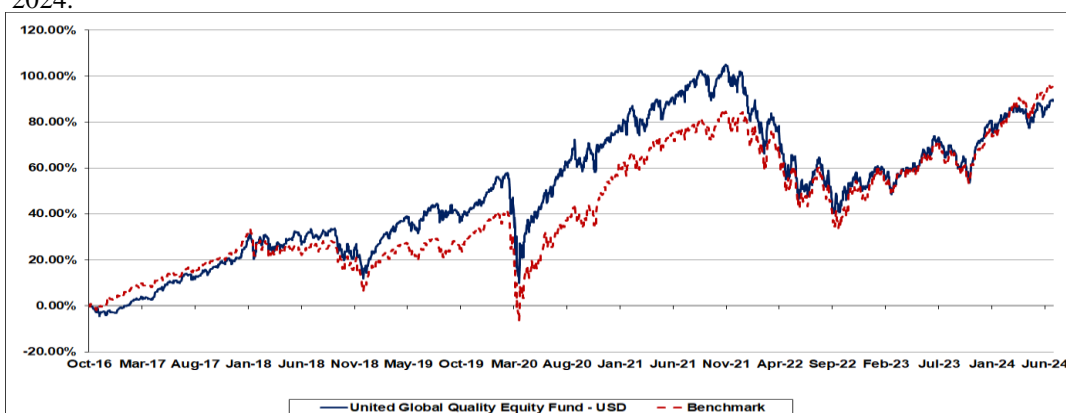
\* The benchmark of the Fund is MSCI All Country World Index.

#### USD Class

For the financial period under review, the Class registered a return of 12.08% against the benchmark return of 17.45%.

For the period under review, the NAV per unit of the Class increased by 12.08% from USD 0.7019 to USD 0.7867.

The line chart below shows comparison between the performance of the Class and its benchmark, MSCI All Country World Index, from the commencement of the Class to 30 June 2024.



Source: UOBAM(M) as at 30 June 2024.

	1-month	3-months	6-months	12-months	Since commencement (17 Oct 2016)
<b>The Fund</b>	3.34%	1.85%	4.77%	12.08%	89.18%
<b>Benchmark*</b>	2.10%	2.35%	10.32%	17.45%	95.04%

Source: UOBAM(M), Lipper and Bloomberg as at 30 June 2024.

\* The benchmark of the Fund is MSCI All Country World Index.

#### SGD hedged Class

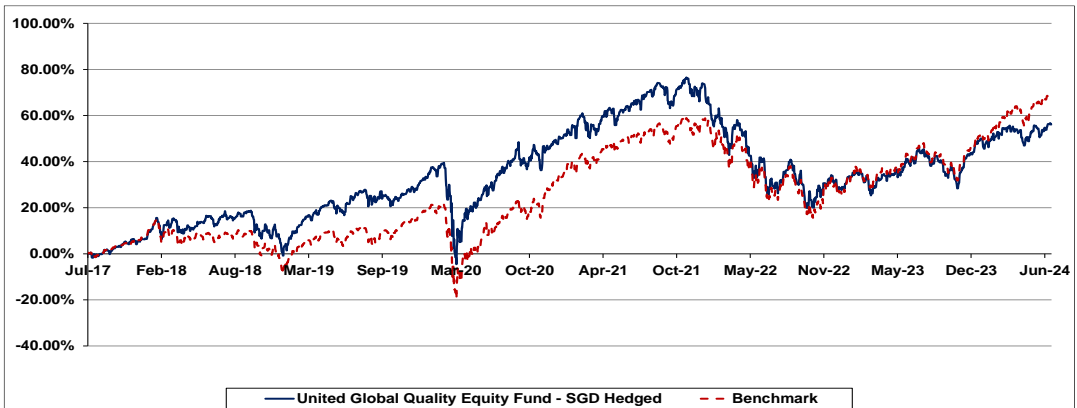
For the financial period under review, the Class registered a return of 9.96% against the benchmark return of 17.45%.

For the period under review, the NAV per unit of the Class increased by 9.96% from SGD 0.5902 to SGD 0.6490.



**2.3 Performance review (continued)**

The line chart below shows comparison between the performance of the Class and its benchmark, MSCI All Country World Index, from the commencement of the Class to 30 June 2024.



Source: UOBAM(M) as at 30 June 2024.

	1-month	3-months	6-months	12-months	Since commencement (31 Jul 2017)
<b>The Fund</b>	3.23%	1.34%	4.11%	9.96%	56.12%
<b>Benchmark*</b>	2.10%	2.35%	10.32%	17.45%	67.93%

Source: UOBAM(M), Lipper and Bloomberg as at 30 June 2024.

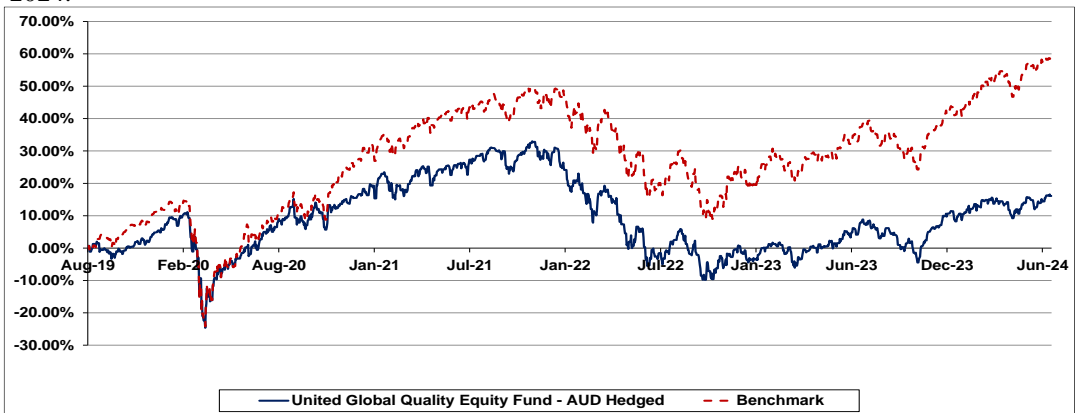
\* The benchmark of the Fund is MSCI All Country World Index.

AUD hedged Class

For the financial period under review, the Class registered a return of 9.32% against the benchmark return of 17.45%.

For the period under review, the NAV per unit of the Class increased by 9.32% from AUD 0.4893 to AUD 0.5349.

The line chart below shows comparison between the performance of the Class and its benchmark, MSCI All Country World Index, from the commencement of the Class to 30 June 2024.



Source: UOBAM(M) as at 30 June 2024.

2.3	Performance review (continued)		1-month	3-months	6-months	12-months	Since commencement (31 Jul 2017)
		The Fund	3.16%	1.38%	4.19%	9.32%	16.08%
		Benchmark*	2.10%	2.35%	10.32%	17.45%	58.13%
<p>Source: UOBAM(M), Lipper and Bloomberg as at 30 June 2024.  * The benchmark of the Fund is MSCI All Country World Index.</p> <p><b>Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.</b></p>							
2.4	Target Fund performance	<p>Target Fund performance review</p> <p>For the financial year ended 30 June 2024, the net asset value of the Fund – Class Z USD Dist increased by 14.60% against an increase of 19.38% for the benchmark MSCI All Country World Index (in US dollar terms).</p> <p>The Fund’s underperformance was mainly attributed to security selection. Weak security selection in the Information Technology, Financials and Health Care sectors was partially offset by selection in Consumer Discretionary. The Fund’s sector allocation contributed to relative performance mainly due to underweights to Materials and Consumer Staples and overweight to Information Technology. In terms of country exposure, the United States detracted the most from the Fund’s performance.</p> <p>On stock level, the top positive contributors to returns were Taiwan Semiconductor Manufacturing Co (TSMC), Alphabet and Microsoft. The key detractors to returns were Estee Lauder, Aon and SMS Co., Ltd.</p> <p>Source: UOB Asset Management Ltd</p> <p><u>Target Fund performance data</u></p>					
			1-month	3-months	6-months	12-months	Since commencement (7 Apr 2020)
		Target Fund (USD)	3.51%	2.00%	5.73%	14.60%	12.05%
<p>Benchmark (USD)*</p> <p>2.23%</p>							
<p>Source: UOB Asset Management Ltd, Morningstar as at 30 June 2024.  * The benchmark of the Target Fund is MSCI All Country World Index.</p>							
2.5	Target Fund's top 10 holdings	No	Equity	Sector	Weighting		
		1	ALPHABET INC	Communication Services	6.15%		
		2	MICROSOFT CORP	Information Technology	5.68%		
		3	TAIWAN SEMICONDUCTOR MANUFACTU	Information Technology	3.97%		
		4	S&P GLOBAL INC	Financials	3.89%		
		5	AON GLOBAL LTD	Financials	3.16%		
		6	INTUIT INC	Information Technology	3.13%		

2.5	Target Fund's top 10 holdings (continued)	7	VISA INC	Financials	3.12%
		8	AMPHENOL CORP	Information Technology	3.02%
		9	ACCENTURE PLC	Information Technology	3.02%
		10	DOLLARAMA INC	Consumer Discretionary	2.93%
2.6	Strategies and policies employed	<p><u>Strategies and policies of the Target Fund</u></p> <p><b>Before 1 September 2023:</b></p> <ul style="list-style-type: none"> <li>• The Fund seeks to invest in market-leading companies with growing industry market share, quality balance sheets and strong management teams and companies with positive long-term revisions, operating efficiency, and the ability to generate increasing return on capital.</li> <li>• Investments are identified based on a balance of metrics such as quality, growth, valuation and capital returns.</li> <li>• The Fund invests primarily in equity securities and may invest in other securities including, exchange traded funds and equity-related securities such as depositary receipts.</li> <li>• While the Fund is not constrained by market capitalisation, country, sector or industry, the companies it seeks to invest in typically have market capitalisation exceeding US\$3 billion with sufficient trading volume.</li> <li>• In the event of extreme market conditions, severe market stress or disruptions, or if there are no suitable investment opportunities, up to 100% of the Fund's assets may be temporarily held in cash and/or placed in cash deposits and/or invested in money market instruments.</li> </ul> <p><b>From 1 September 2023:</b></p> <ul style="list-style-type: none"> <li>• The Fund focuses on identifying market-leading companies with the capability of sustaining high levels of financial productivity and that are in a position to reinvest cashflows back into their business at similarly attractive rates of return.</li> <li>• The Fund invests primarily in equity securities and may invest in other securities including exchange traded funds and equity-related securities such as depositary receipts.</li> <li>• While the Fund is not constrained by market capitalisation, country, sector or industry, the companies it seeks to invest in typically have market capitalisation exceeding US\$3 billion with sufficient trading volume.</li> <li>• Potential investments are filtered through a team of research analysts and a proprietary investment tool that identifies companies with patterns of financial productivity metrics that meet the threshold levels for the Fund's portfolio. The Fund considers a range of information such as company financial statements, earnings, industry analysis and academic studies along with other sources such as company suppliers, competitors or regulators.</li> <li>• FDIs may be used or invested in for the purposes of hedging existing positions, EPM, or a combination of both purposes.</li> </ul> <p><u>Strategies and policies of the Fund</u></p> <p>For the financial period under review, the Fund seeks to achieve its investment objective by investing a minimum of 90% of the Fund's NAV in the Target Fund at all times. Accordingly, this Fund will have a passive strategy as all the investment decisions will be made at the Target Fund level.</p> <p><i>Source: UOB Asset Management Ltd</i></p>			

2.7	<b>Asset allocation</b>	<p>This table below shows the asset allocation of the Fund for the financial years ended 30 June:</p> <table border="1" data-bbox="404 170 1472 426"> <thead> <tr> <th data-bbox="404 170 862 279">Assets</th> <th data-bbox="862 170 1032 279">As at 30 June 2024 (%)</th> <th data-bbox="1032 170 1274 279">As at 30 June 2023 (%)</th> <th data-bbox="1274 170 1472 279">Changes (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="404 279 862 352">Collective investment scheme</td> <td data-bbox="862 279 1032 352">99.78</td> <td data-bbox="1032 279 1274 352">98.86</td> <td data-bbox="1274 279 1472 352">3.87</td> </tr> <tr> <td data-bbox="404 352 862 390">Cash</td> <td data-bbox="862 352 1032 390">0.22</td> <td data-bbox="1032 352 1274 390">1.14</td> <td data-bbox="1274 352 1472 390">-3.87</td> </tr> <tr> <td data-bbox="404 390 862 426"><b>Total</b></td> <td data-bbox="862 390 1032 426"><b>100.00</b></td> <td data-bbox="1032 390 1274 426"><b>100.00</b></td> <td data-bbox="1274 390 1472 426">--</td> </tr> </tbody> </table> <p data-bbox="404 464 1472 495"><b>Reason for the differences in asset allocation</b></p> <p data-bbox="404 499 1472 600">As at 30 June 2024, the asset allocation of the Fund stood at 99.78% in foreign collective investment scheme and 0.22% in cash. The Fund’s asset allocation is within its investment objective of investing a minimum of 90% of the Fund’s NAV in the Target Fund.</p>	Assets	As at 30 June 2024 (%)	As at 30 June 2023 (%)	Changes (%)	Collective investment scheme	99.78	98.86	3.87	Cash	0.22	1.14	-3.87	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	--
Assets	As at 30 June 2024 (%)	As at 30 June 2023 (%)	Changes (%)															
Collective investment scheme	99.78	98.86	3.87															
Cash	0.22	1.14	-3.87															
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	--															
2.8	<b>Income distribution/ Unit splits</b>	There was no income distribution and unit split declared during the financial period under review.																
2.9	<b>State of affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the financial period under review.																
2.10	<b>Securities Financing Transactions and Cross Trade Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions. There were no cross trade transactions carried out during the financial period under review.																
2.11	<b>Rebates and soft commission</b>	<p data-bbox="404 1052 1472 1152">It is our policy to pay all rebates to the Fund. Soft commissions received from brokers/dealers are retained by the Manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.</p> <p data-bbox="404 1188 1472 1352">The Manager will retain the soft commissions that are deemed to be beneficial to the unitholders of the Fund in the form of research and advisory services from any broker or dealer by virtue of transactions conducted for the fund that can assist in the decision making process in relation to the Fund such as technical analysis software, data and quotation services and computer software incidental to investment management of the Fund.</p> <p data-bbox="404 1388 1472 1419">During the financial period under review, the Manager had not received any soft commissions.</p>																
2.12	<b>Market review</b>	<p data-bbox="404 1461 1472 1860">In the third quarter of 2023, equity markets retreated as investors reset expectations for the global interest rate outlook. The period was marked by a sharp rise in bond yields that pressured stocks amid expectations that key central banks were prepared to keep interest rates elevated for a longer period. The Fed signalled then that it may lift rates once more for the year and that it was adopting a “higher for longer” stance, disappointing investors. Similarly, after raising interest rates to multi decade highs in August, both the European Central Bank ("ECB") and Bank of England ("BoE") paused raising rates in September but indicated that they needed to remain elevated for a sustained period. Equities in both developed and developing markets declined as a result. However, Japanese equities gained, as the combination of a weakened yen, hopes that economic growth will strengthen, and expectations of governance reforms boosted local stocks. Meanwhile, Chinese equities also declined on economic concerns, especially in the real estate sector.</p>																

2.12	<b>Market review (continued)</b>	<p>In the fourth quarter of 2023, Global equities rose sharply, as investor optimism was stoked amid encouraging inflation data and a changing outlook for interest rates. United States of America ("U.S.") stocks rallied late in the quarter as a sustained slowdown in inflation sparked hopes amongst investors that the U.S. Federal Reserve ("Fed") would end its rate hiking campaign and perhaps even begin cutting rates in 2024. The U.S. economy continued to show resilience, with a revised reading of third quarter Gross Domestic Product ("GDP") coming in higher than initially anticipated at 5.2% and the country continuing to add more jobs than expected. In Europe, the ECB left interest rates unchanged in the fourth quarter amid signs that the central bank's efforts to reduce inflation had made significant progress. Despite the ECB's vow to maintain a restrictive monetary policy for a sustained period of time, many investors nevertheless anticipated it would reduce rates in 2024 as the region's growth outlook is expected to be weaker than the U.S. Equity markets in both the developed and developing worlds advanced in the fourth quarter, with the former outperforming the latter. The U.S. market outperformed while European equities performed in line with the broader global market. In Japan, equities gained but underperformed, as a stronger yen sapped some of the momentum from the Japanese stock market rally. Meanwhile, in China, equities declined due to concerns over property companies and the country's slower than expected economic recovery.</p> <p>In the first half of 2024, global equities rose sharply as the market pendulum swung from optimism to pessimism and then back to optimism amid uncertainty surrounding central bank monetary policies, a U.S.-led frenzy over investments in artificial intelligence, and uneven, but positive, earnings results. Against this backdrop, equity markets in both the developed and developing worlds climbed in the first six months of the year. In the U.S., the S&amp;P 500 soared, thanks to the market focus on AI and optimism that the Fed will begin a rate-cutting cycle this year. NVIDIA, which gained 150% in the period, accounted for 30% of the index's overall gain. European stocks advanced but underperformed the USA as interest rate cuts were offset by lukewarm earnings results and worries about political risks. In Japan, the TOPIX lagged on worries about whether the catalysts for Japan's stock market rally were sustainable amid a steep depreciation of the yen. Elsewhere in Asia, Hang Seng China Enterprises Index gained but lagged, as investors juggled Chinese policymaker action to support the property sector and stock market, possible increases in U.S. tariffs on imports from China, and concerns about Chinese company earnings.</p> <p><i>Source: UOB Asset Management Ltd</i></p>
2.13	<b>Market outlook</b>	<p>The Manager expects continued volatility as the Fed and other central banks seek to balance the goals of maintaining financial stability and controlling inflation. While artificial intelligence ("AI") has the potential to transform the way companies operate over the long term, the manager is cautious that the exuberance surrounding it may drive valuations in certain stocks to unsustainable levels in the short term. Although macro uncertainty remains, there is room for inflation to come down near term, and underlying fundamentals seem supportive of sustained growth in the third quarter.</p> <p><i>Source: UOB Asset Management Ltd</i></p>
2.14	<b>Additional Information</b>	<p>The Seventh Supplementary Master Prospectus dated 26 April 2024 have been issued. Please refer to Appendix A for the changes made.</p>

Kuala Lumpur, Malaysia  
UOB Asset Management (Malaysia) Berhad

28 August 2024

**(B) TRUSTEE’S REPORT**

**TO THE UNIT HOLDERS OF UNITED GLOBAL QUALITY EQUITY FUND (“FUND”)**

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, UOB Asset Management (Malaysia) Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirements.

For TMF Trustees Malaysia Berhad  
(Company No: 610812-W)

**Norhayati Binti Azit**  
Director - Fund Services

Kuala Lumpur  
28 August 2024

**UNITED GLOBAL QUALITY EQUITY FUND**

**(C) STATEMENT BY MANAGER**

**STATEMENT BY MANAGER**

I, **Lim Suet Ling**, being the Director of and on behalf of the Board of Directors of UOB Asset Management (Malaysia) Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of **United Global Quality Equity Fund** as at 30 June 2024 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year then ended and comply with requirements of the Deed(s).

For and on behalf of the Manager,  
**UOB Asset Management (Malaysia) Berhad**

**LIM SUET LING**  
Executive Director/  
Chief Executive Officer

28 August 2024

**(D) Independent auditors' report to the unitholders of  
United Global Quality Equity Fund**

**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of United Global Quality Equity Fund ("the Fund"), which comprise the statement of financial position of the Fund as at 30 June 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 18 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2024 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

*Basis for opinion*

We conducted our audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

*Information other than the financial statements and auditors' report thereon*

The Manager is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

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



**Independent auditors' report to the unitholders of  
United Global Quality Equity Fund**

**Report on the audit of the financial statements (continued)**

*Information other than the financial statements and auditors' report thereon (continued)*

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

The Manager is responsible for the preparation and fair presentation of the financial statements of the Fund in accordance with MFRS and IFRS. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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 auditors' report to the unitholders of  
United Global Quality Equity Fund**

**Report on the audit of the financial statements (continued)**

*Auditors' responsibilities for the audit of the financial statements (continued)*

As part of an audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unitholders of  
United Global Quality Equity Fund**

**Report on the audit of the financial statements (continued)**

**Other Matter**

This report is made solely to the unitholders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds by the Securities Commission Malaysia, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
28 August 2024

Yeo Beng Yean  
No. 03013/10/2024 J  
Chartered Accountant

**UNITED GLOBAL QUALITY EQUITY FUND**

**(E) FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Investments	3	1,051,999,944	997,247,162
Forward foreign currency contracts	4	7,910,860	-
Amount due from Target Fund Manager	5	2,630,631	-
Amount due from Manager	6	-	341,069
Cash at bank		2,576,680	9,805,681
<b>TOTAL ASSETS</b>		<b>1,065,118,115</b>	<b>1,007,393,912</b>
<b>LIABILITIES</b>			
Forward foreign currency contracts	4	-	47,140,455
Amount due to Manager	6	4,426,988	-
Amount due to Trustee	7	34,745	30,841
Tax payable		14,098	9,583
Accruals		29,233	29,491
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<b>4,505,064</b>	<b>47,210,370</b>
<b>NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS</b>		<b>1,060,613,051</b>	<b>960,183,542</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF THE FUND COMPRISE:</b>			
Unitholders’ capital	8	963,746,134	959,105,321
Retained earnings/(accumulated losses)	8	96,866,917	1,078,221
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	8	<b>1,060,613,051</b>	<b>960,183,542</b>
<b>TOTAL NAV AND LIABILITIES</b>		<b>1,065,118,115</b>	<b>1,007,393,912</b>
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>			
- AUD HEDGED CLASS		32,604,375	35,399,771
- MYR HEDGED CLASS		942,338,234	829,315,223
- SGD HEDGED CLASS		41,077,802	42,779,077
- USD CLASS		44,592,640	52,689,471
		<b>1,060,613,051</b>	<b>960,183,542</b>

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

**UNITED GLOBAL QUALITY EQUITY FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024 (CONTINUED)**

	Note	2024 RM	2023 RM
<b>UNITS IN CIRCULATION</b>			
- AUD HEDGED CLASS	8(a)	19,359,095	23,301,923
- MYR HEDGED CLASS	8(b)	<u>1,228,112,047</u>	<u>1,181,811,445</u>
- SGD HEDGED CLASS	8(c)	<u>18,200,644</u>	<u>21,031,321</u>
- USD CLASS	8(d)	<u>12,022,682</u>	<u>16,091,308</u>
<b>NET ASSET VALUE PER UNIT IN MYR</b>			
- AUD HEDGED CLASS		1.6842	1.5192
- MYR HEDGED CLASS		<u>0.7673</u>	<u>0.7017</u>
- SGD HEDGED CLASS		<u>2.2569</u>	<u>2.0341</u>
- USD CLASS		<u>3.7090</u>	<u>3.2744</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- AUD HEDGED CLASS (AUD)		0.5349	0.4893
- MYR HEDGED CLASS (MYR)		<u>0.7673</u>	<u>0.7017</u>
- SGD HEDGED CLASS (SGD)		<u>0.6488</u>	<u>0.5902</u>
- USD CLASS (USD)		<u>0.7866</u>	<u>0.7019</u>

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

**UNITED GLOBAL QUALITY EQUITY FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Income distribution from investment at fair value through profit or loss (“FVTPL”)		9,972,472	2,582,121
Interest income from deposit with licensed financial institution		166,231	109,735
Net gain/(loss) on investments at FVTPL:	3		
- net realised gain/(loss) on sale of investments at FVTPL		16,222,763	(4,469,276)
- net unrealised gain/(loss) on changes in fair value	8(f)	121,858,687	171,700,353
Net realised gain/(loss) on foreign currency exchange		(276,709)	259,199
Net realised gain/(loss) on forward foreign currency contracts		(87,327,746)	(50,222,924)
Net unrealised gain/(loss) on foreign currency exchange	8(f)	(5,995)	201
Net unrealised gain/(loss) on forward foreign currency contracts	8(f)	55,051,315	(9,077,071)
		<u>115,661,018</u>	<u>110,882,338</u>
<b>EXPENSES</b>			
Manager’s fee	9	18,174,198	15,909,006
Trustee’s fee	10	403,871	353,533
Auditors’ remuneration		10,000	9,300
Tax agent’s fee		4,740	3,900
Other expenses		25,513	24,572
		<u>18,618,322</u>	<u>16,300,311</u>
<b>NET INCOME/(LOSS) BEFORE TAXATION</b>		97,042,696	94,582,027
Tax expense	11	1,254,000	323,567
<b>NET INCOME/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>95,788,696</u>	<u>94,258,460</u>
Net income/(loss) after taxation is made up of the following:			
Realised amount	8(e)	(81,115,311)	(68,365,023)
Unrealised amount	8(f)	176,904,007	162,623,483
		<u>95,788,696</u>	<u>94,258,460</u>

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

**UNITED GLOBAL QUALITY EQUITY FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	<b>Note</b>	<b>Unitholders' capital RM</b>	<b>Retained earnings/ (accumulated losses) RM</b>	<b>Total net asset value RM</b>
Balance as at 1 July 2022		958,814,261	(93,180,239)	865,634,022
Movement in net asset value:				
Total comprehensive income/(loss) for the financial year		-	94,258,460	94,258,460
Creation of units				
- AUD HEDGED CLASS	8(a)	604	-	604
- MYR HEDGED CLASS	8(b)	98,482,080	-	98,482,080
- SGD HEDGED CLASS	8(c)	125,913	-	125,913
Cancellation of units				
- AUD HEDGED CLASS	8(a)	(1,580,147)	-	(1,580,147)
- MYR HEDGED CLASS	8(b)	(72,687,317)	-	(72,687,317)
- SGD HEDGED CLASS	8(c)	(3,978,533)	-	(3,978,533)
- USD CLASS	8(d)	(20,071,540)	-	(20,071,540)
Balance as at 30 June 2023		<u>959,105,321</u>	<u>1,078,221</u>	<u>960,183,542</u>

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

**UNITED GLOBAL QUALITY EQUITY FUND**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	<b>Note</b>	<b>Unitholders' capital RM</b>	<b>Retained earnings/ (accumulated losses) RM</b>	<b>Total net asset value RM</b>
Balance as at 1 July 2023		959,105,321	1,078,221	960,183,542
Movement in net asset value:				
Total comprehensive income/(loss) for the financial year		-	95,788,696	95,788,696
Creation of units				
- AUD HEDGED CLASS	8(a)	3,013,885	-	3,013,885
- MYR HEDGED CLASS	8(b)	207,117,388	-	207,117,388
- SGD HEDGED CLASS	8(c)	4,881,034	-	4,881,034
- USD CLASS	8(d)	3,183,091	-	3,183,091
Cancellation of units				
- AUD HEDGED CLASS	8(a)	(9,072,719)	-	(9,072,719)
- MYR HEDGED CLASS	8(b)	(176,310,676)	-	(176,310,676)
- SGD HEDGED CLASS	8(c)	(11,030,610)	-	(11,030,610)
- USD CLASS	8(d)	(17,140,580)	-	(17,140,580)
Balance as at 30 June 2024		<u>963,746,134</u>	<u>96,866,917</u>	<u>1,060,613,051</u>

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



**UNITED GLOBAL QUALITY EQUITY FUND**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS GENERATED FROM/(USED IN)</b>		
<b>OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	112,879,663	83,223,256
Purchase of investments	(32,183,300)	(53,297,932)
Income distribution from investment at FVTPL	9,972,472	2,582,121
Interest received from deposit with licensed financial institution	166,231	109,735
Manager's fee paid	(17,998,482)	(15,842,907)
Trustee's fee paid	(399,967)	(352,065)
Tax agent's fee paid	(3,900)	(3,900)
Auditors' remuneration paid	(9,300)	(18,600)
Payment of other fees and expenses	(27,311)	(24,572)
Tax paid	(1,249,485)	(486,240)
Net realised gain/(loss) on foreign currency exchange	(276,709)	259,199
Net realised gain/(loss) on settlement of forward foreign currency contracts	<u>(87,327,746)</u>	<u>(50,222,924)</u>
Net cash generated from/(used in) operating and investing activities	<u>(16,457,834)</u>	<u>(34,074,829)</u>
<b>CASH FLOWS GENERATED FROM/</b>		
<b>(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from creation of units	216,174,940	97,457,152
Payment for cancellation of units	<u>(206,946,107)</u>	<u>(98,066,267)</u>
Net cash generated from/(used in) financing activities	<u>9,228,833</u>	<u>(609,115)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(7,229,001)</b>	<b>(34,683,944)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>9,805,681</b>	<b>44,489,625</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>2,576,680</b>	<b>9,805,681</b>
Cash and cash equivalents comprise the following:		
Cash at bank	<u>2,576,680</u>	<u>9,805,681</u>

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

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. INFORMATION ON THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

The United Global Quality Equity Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of the Deed dated 6 June 2016 between UOB Asset Management (Malaysia) Berhad (“the Manager”) and TMF Trustees Malaysia Berhad (“the Trustee”).

The Fund seeks to provide investors with long term capital appreciation by investing in the United Global Quality Growth Fund which invests in equity and equity-related securities of companies listed and traded on stock exchanges globally. The Fund was launched on 26 September 2016 and commenced for operations on 17 October 2016. As provided in the Deed, the accrual period or financial year shall end on 30 June.

The Manager is a subsidiary of UOB Asset Management Limited, headquartered in Singapore.

The financial statements were authorised for issue by the Manager on 28 August 2024.

#### **2. ACCOUNTING POLICY INFORMATION**

##### **2.1 Basis of preparation of the financial statements**

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia (“RM”).

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 July 2023 that have a material effect on the financial statements of the Fund.

None of the standards, amendments to standards or interpretations that are effective for the financial year beginning on or after 1 July 2024 are applicable to the Fund.

##### **2.2 Changes in accounting policies**

The accounting policies adopted that could have material impact to the financial statements are consistent with those of the previous financial year.

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.3 Material accounting policy information

##### (a) Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

##### *Classification*

The Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or,
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or,
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.3 Material accounting policy information (continued)

##### (a) Financial instruments (continued)

###### *Financial assets*

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss (“FVTPL”) on the basis of both the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### (i) Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. The Fund includes in this category amount due from Target Fund Manager and bank balances.

##### (ii) Financial assets at FVTPL

A financial asset is measured at FVTPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or,
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category investment in collective investment scheme. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.3 Material accounting policy information (continued)

##### (a) Financial instruments (continued)

###### *Financial liabilities*

###### (i) Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund does not have such liabilities at this juncture.

###### (ii) Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVTPL. The Fund includes in this category amount due to Manager and amount due to Trustee.

###### *Impairment of financial assets*

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (“ECL”) under MFRS 9 to all its trade receivables. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Fund’s approach to ECL reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

###### *Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when:

- (i) The contractual rights to receive cash flows from the financial asset have expired; or
- (ii) The Fund has transferred its contractual rights to receive cash flows from the financial asset or have assumed contractual obligation to pay the received cash flows in full without material delay to one or more third parties under a “pass through” arrangement; and either:
  - (a) the Fund has transferred substantially all the risks and rewards of ownership of the financial asset; or

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.3 Material accounting policy information (continued)

##### (a) Financial instruments (continued)

###### *Derecognition of financial assets and financial liabilities (continued)*

A financial asset is derecognised when: (continued)

(ii) The Fund has transferred its contractual rights to receive cash flows from the financial asset or have assumed contractual obligation to pay the received cash flows in full without material delay to one or more third parties under a “pass through” arrangement; and either: (continued)

(b) the Fund has neither transferred nor retained substantially all the risks and rewards, but has transferred control of the financial asset.

On derecognition of financial assets at amortised cost, gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

A financial liability is derecognised when the obligation under the financial liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### (b) Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments at FVTPL. Realised gains and losses on disposals of financial instruments at FVTPL are calculated using the weighted average method. They represent the difference between an instrument’s initial carrying amount and disposal amount.

Return on investments, distribution from foreign collective investment scheme, foreign exchange translation differences of cash at bank balances denominated in foreign currencies and accrued interest on deposits which have not matured as at the reporting date are classified as realised income in the financial statements.

## UNITED GLOBAL QUALITY EQUITY FUND

### 2. ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.3 Material accounting policy information (continued)

**(c) Derivative financial instruments**

Derivatives are financial assets or liabilities at FVTPL categorised as held for trading unless they are designated hedges.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy on FVTPL.

**(d) Functional and presentation currency**

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in RM, which is also the Fund's functional currency.

**(e) Foreign currency translation**

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in the profit or loss.

**(f) Unitholders' capital**

The unitholders' capital to the Fund are classified as liabilities under MFRS 132 *Financial Instruments: Presentation*.

The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **2. ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **2.3 Material accounting policy information (continued)**

**(g) Distribution of income**

Any distribution to the Fund's unitholders is recognised in the statement of comprehensive income, as the unitholders' capital are classified as financial liabilities as per Note 2.3(f). A proposed dividend is recognised as a liability in the period in which it is approved. Distributions are either reinvested or paid in cash to the unitholders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date which is also the time of creation.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank which have an insignificant risk of changes in value.

**(i) Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Interest income from deposits with a licensed financial institution is recognised using the effective interest method. Distribution income from investments is recognised when it has been declared with the right to receive the income established.

**(j) Net asset value attributable to unitholders**

Net asset value attributable to unitholders represents the redemption amount that would be payable if the unitholders exercised the right to redeem units of the Fund at the end of the reporting year.

**(k) Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

No deferred tax is recognised as there are no material temporary differences.



## **UNITED GLOBAL QUALITY EQUITY FUND**

### **2. ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **2.3 Material accounting policy information (continued)**

**(l) Segment reporting**

For internal management reporting purposes, all of the investments of the Fund are managed as one portfolio and reviewed as such by the Manager. The Manager is the decision maker for performance assessment purposes and makes decisions about resource allocation. Accordingly, the Fund does not have any operating segment information to be disclosed in the financial statements.

**(m) Significant accounting estimates and judgments**

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(n) Determination of fair value**

For investments in collective investment scheme ("CIS"), fair value is determined based on the closing NAV per unit of the CIS.

For investments in forward foreign currency contracts, the fair value is calculated by making reference to prevailing forward exchange rates for contracts with similar maturity profiles in the market. Forward foreign currency contracts are presented as assets when the fair value is positive (net gain position) or as liabilities when the fair value is negative (net loss position).

## UNITED GLOBAL QUALITY EQUITY FUND

### 3. INVESTMENTS

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Investments designated as FVTPL:		
- Collective investment scheme - foreign	<u>1,051,999,944</u>	<u>997,247,162</u>
Net gain/(loss) on investments at FVTPL comprised:		
- Net realised gain/(loss) on sale of investments at FVTPL	16,222,763	(4,469,276)
- Net unrealised gain/(loss) on changes in fair value	<u>121,858,687</u>	<u>171,700,353</u>
	<u>138,081,450</u>	<u>167,231,077</u>

Investments designated as FVTPL as at 30 June 2024 are as follows:

Name of counter	Quantity	Cost RM	Fair value RM	Fair value expressed as a percentage of value of the Fund %
<b>COLLECTIVE INVESTMENT SCHEME - FOREIGN</b>				
United Global Quality Growth Fund - USD Distribution Class ("Target Fund")*	151,163,752	<u>822,521,524</u>	<u>1,051,999,944</u>	<u>99.19</u>
<b>EXCESS/(SHORTFALL) OF FAIR VALUE OVER COST:</b>				
- UNREALISED GAIN/(LOSS) ON FAIR VALUE		<u>134,601,298</u>		
- UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE		<u>94,877,122</u>		
<b>TOTAL INVESTMENTS AT FVTPL</b>		<u>1,051,999,944</u>		

\* Collective investment scheme related to the Manager.

## UNITED GLOBAL QUALITY EQUITY FUND

### 4. FORWARD FOREIGN CURRENCY CONTRACTS

As at the reporting date, there are 35 (2023: 9) forward foreign currency contracts outstanding.

The notional principal amount of the outstanding forward foreign currency contracts amounted to RM944,944,253 (2023: RM772,145,222).

The forward foreign currency contracts entered into were for hedging against the currency exposure arising from the investments denominated in USD.

As the Fund has not adopted hedge accounting, the changes in fair value of the forward foreign currency contracts are recognised immediately in the profit or loss.

### 5. AMOUNT DUE FROM TARGET FUND MANAGER

Amount due from Target Fund Manager relates to the amount receivable from Target Fund Manager arising from the sale of investments. The settlement period is within two business days from the deal date.

### 6. AMOUNT DUE FROM/(TO) MANAGER

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Creation of units	4,510,904	2,489,666
Cancellation of units	(7,374,352)	(760,773)
Manager's fee payable	(1,563,540)	(1,387,824)
	<u>(4,426,988)</u>	<u>341,069</u>

The normal credit period for the Manager's fee payable is one month (2023: one month).

### 7. AMOUNT DUE TO TRUSTEE

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Trustee's fee payable	<u>34,745</u>	<u>30,841</u>

Amount due to Trustee represents Trustee's fee payable.

The normal credit period for the Trustee's fee payable is one month (2023: one month).

## UNITED GLOBAL QUALITY EQUITY FUND

### 8. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS

Unitholders should note that the NAV of the Fund is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at a particular valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and the trustee fee for the relevant day.

The NAV per unit of the Fund at a valuation point is determined by dividing the NAV of the Fund at that valuation point by the number of units in circulation of the Fund at the same valuation point.

Due to multiple Classes of Units in the Fund, the income and/or expenses for the Fund are apportioned by using the multi-class ratio, which is based on the value of the Class of Units of the Fund (quoted in the base currency) relative to the value of the whole Fund (quoted in the base currency). As at 30 June 2024, the multi-class ratio used in apportionment for AUD Hedged Class is 3.07 (2023: 3.69), MYR Hedged Class is 88.85 (2023: 86.37), SGD Hedged Class is 3.87 (2023: 4.45) and USD Class is 4.21 (2023: 5.49).

Net asset value attributable to unitholders is represented by:

	Note	2024 RM	2023 RM
Unitholders’ capital			
- AUD HEDGED CLASS	(a)	30,099,653	36,158,487
- MYR HEDGED CLASS	(b)	873,098,320	842,291,608
- SGD HEDGED CLASS	(c)	31,530,837	37,680,413
- USD CLASS	(d)	29,017,324	42,974,813
		<u>963,746,134</u>	<u>959,105,321</u>
Retained earnings/(accumulated losses)			
- Realised gain/(loss)	(e)	(140,516,289)	(59,400,978)
- Unrealised gain/(loss)	(f)	237,383,206	60,479,199
		<u>96,866,917</u>	<u>1,078,221</u>
Total NAV attributable to unitholders		<u>1,060,613,051</u>	<u>960,183,542</u>

**UNITED GLOBAL QUALITY EQUITY FUND**

**8. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)**

**(a) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - AUD HEDGED CLASS**

	<b>Units</b>	<b>2024 RM</b>	<b>Units</b>	<b>2023 RM</b>
At the beginning of the financial year	23,301,923	36,158,487	24,462,465	37,738,030
Creation of units during the financial year	1,930,362	3,013,885	416	604
Cancellation of units during the financial year	(5,873,190)	(9,072,719)	(1,160,958)	(1,580,147)
At the end of the financial year	<u>19,359,095</u>	<u>30,099,653</u>	<u>23,301,923</u>	<u>36,158,487</u>

**(b) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - MYR HEDGED CLASS**

	<b>Units</b>	<b>2024 RM</b>	<b>Units</b>	<b>2023 RM</b>
At the beginning of the financial year	1,181,811,445	842,291,608	1,142,265,694	816,496,845
Creation of units during the financial year	287,091,151	207,117,388	151,059,628	98,482,080
Cancellation of units during the financial year	(240,790,549)	(176,310,676)	(111,513,877)	(72,687,317)
At the end of the financial year	<u>1,228,112,047</u>	<u>873,098,320</u>	<u>1,181,811,445</u>	<u>842,291,608</u>

**UNITED GLOBAL QUALITY EQUITY FUND**

**8. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)**

**(c) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - SGD HEDGED CLASS**

	<b>Units</b>	<b>2024 RM</b>	<b>Units</b>	<b>2023 RM</b>
At the beginning of the financial year	21,031,321	37,680,413	23,140,349	41,533,033
Creation of units during the financial year	2,259,329	4,881,034	70,479	125,913
Cancellation of units during the financial year	<u>(5,090,006)</u>	<u>(11,030,610)</u>	<u>(2,179,507)</u>	<u>(3,978,533)</u>
At the end of the financial year	<u>18,200,644</u>	<u>31,530,837</u>	<u>21,031,321</u>	<u>37,680,413</u>

**(d) UNITHOLDERS’ CAPITAL/UNITS IN CIRCULATION - USD CLASS**

	<b>Units</b>	<b>2024 RM</b>	<b>Units</b>	<b>2023 RM</b>
At the beginning of the financial year	16,091,308	42,974,813	23,027,230	63,046,353
Creation of units during the financial year	912,286	3,183,091	-	-
Cancellation of units during the financial year	<u>(4,980,912)</u>	<u>(17,140,580)</u>	<u>(6,935,922)</u>	<u>(20,071,540)</u>
At the end of the financial year	<u>12,022,682</u>	<u>29,017,324</u>	<u>16,091,308</u>	<u>42,974,813</u>

The Manager and parties related to the Manager did not hold any units of the Fund as at 30 June 2024 and 30 June 2023.

**UNITED GLOBAL QUALITY EQUITY FUND**

**8. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)**

**(e) RETAINED EARNINGS/(ACCUMULATED LOSSES) - REALISED**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At the beginning of the financial year	(59,400,978)	8,964,045
Total comprehensive income/(loss) for the financial year	95,788,696	94,258,460
Net unrealised (loss)/gain attributable to investments held transferred to unrealised reserve	(176,904,007)	(162,623,483)
Net increase/(decrease) in realised reserve for the financial year	(81,115,311)	(68,365,023)
At the end of the financial year	(140,516,289)	(59,400,978)

**(f) RETAINED EARNINGS/(ACCUMULATED LOSSES) - UNREALISED**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At the beginning of the financial year	60,479,199	(102,144,284)
Net unrealised gain/(loss) attributable to investments held transferred to unrealised reserve		
- Investments at FVTPL	121,858,687	171,700,353
- Forward foreign currency contracts	55,051,315	(9,077,071)
- Foreign currency exchange	(5,995)	201
	176,904,007	162,623,483
At the end of the financial year	237,383,206	60,479,199

**9. MANAGER’S FEE**

Schedule 8 of the Deed provides that the Manager shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 1.80% (2023: 1.80%) per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is computed based on 1.80% (2023: 1.80%) per annum on the net asset value of the Fund, calculated on a daily basis for the financial year.

There will be no further liability to the Manager in respect of Manager’s fee other than the amount recognised in the financial statements.

## UNITED GLOBAL QUALITY EQUITY FUND

### 10. TRUSTEE'S FEE

Schedule 9 of the Deed provides that the Trustee shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 0.06% (2023: 0.06%) per annum of the net asset value of the Fund, calculated on a daily basis, subject to a minimum fee of RM15,000 (2023: RM15,000) per annum (excluding foreign custodian fee and charges).

The Trustee's fee provided in the financial statements is 0.04% (2023: 0.04%) based on the net asset value of the Fund, subject to a minimum fee of RM15,000 (2023: RM15,000) per annum, calculated on a daily basis for the financial year.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised in the financial statements.

### 11. INCOME TAX EXPENSE

Income from deposit placements is exempted from tax in accordance with Schedule 6, Paragraph 35A of the Income Tax Act, 1967 ("ITA"), subject to certain exclusion. Income derived from sources outside Malaysia and received in Malaysia is not exempted from tax. Pursuant to Section 61(1)(b) of the ITA, gains from realisation of investment will not be treated as income of the Fund and hence are not subject to income tax. In accordance with Sections 61 and 63B of the ITA, 1967, interest income and gain on sale of investment are exempted from tax.

A reconciliation of income tax expense applicable to net income/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net income/(loss) before taxation	97,042,696	94,582,027
Taxation at Malaysian statutory rate of 24% (2023: 24%)	23,290,247	22,699,686
Tax effects of:		
(Income not subject to tax)/loss not deductible for tax purposes	(27,758,644)	(26,611,761)
Restriction on tax deductible expenses for unit trust funds	4,364,207	3,820,401
Expenses not deductible for tax purposes	104,190	91,674
	-	-
Tax on foreign income	1,254,000	323,567
Tax expense for the financial year	1,254,000	323,567



## UNITED GLOBAL QUALITY EQUITY FUND

### 12. TRANSACTIONS WITH INVESTMENT MANAGER OF THE TARGET FUND

Details of transactions with Investment Manager of the Target Fund for the financial year ended 30 June 2024 are as follows:

	<b>Value of trade RM</b>	<b>Percentage of total trade %</b>
<b>Investment Manager of the Target Fund</b>		
UOB Asset Management Ltd, Singapore*	147,695,268	100.00

\*A company related to the Manager.

The Directors of the Manager are of the opinion that any transactions with the related party are entered into in the normal course of business and are established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with the related party are transacted at arm's length basis.

### 13. TOTAL EXPENSE RATIO ("TER")

	<b>2024 %</b>	<b>2023 %</b>
Manager's fee	1.80	1.80
Trustee's fee	0.04	0.04
Other expenses	_*	_*
Total TER	1.84	1.84

\* Represents less than 0.01

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

### 14. PORTFOLIO TURNOVER RATIO ("PTR")

	<b>2024</b>	<b>2023</b>
PTR (times)	0.07	0.08

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis.

## UNITED GLOBAL QUALITY EQUITY FUND

### 15. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis based on their respective classification. The significant accounting policies in Note 2.3 describe how the classes of financial instruments are measured, and how income and expenses are recognised:

- (i) the Fund's investments, comprising foreign collective investment scheme, are classified as financial assets at FVTPL which are measured at fair value;
- (ii) the Fund's other financial assets, comprising amount due from Target Fund Manager and cash at bank, are classified as financial assets which are measured at amortised cost;
- (iii) the Fund's financial liabilities (excluding NAV attributable to unitholders), comprising amount due to Manager and amount due to Trustee, are classified as other financial liabilities which is measured at amortised cost;
- (iv) the Fund's forward foreign currency contracts are derivatives which are measured at FVTPL; and
- (v) the Fund's NAV attributable to unitholders are carried in the financial statements based on the residual value of the net assets of the Fund.

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Derivatives at FVTPL RM</b>	<b>Total RM</b>
<b>2024</b>					
<b>Financial assets</b>					
Investments	1,051,999,944	-	-	-	1,051,999,944
Forward foreign currency contracts	-	-	-	7,910,860	7,910,860
Amount due from Target Fund Manager	-	2,630,631	-	-	2,630,631
Cash at bank	-	2,576,680	-	-	2,576,680
<b>Total financial assets</b>	<b>1,051,999,944</b>	<b>5,207,311</b>	<b>-</b>	<b>7,910,860</b>	<b>1,065,118,115</b>

**UNITED GLOBAL QUALITY EQUITY FUND**

**15. FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) Classification of financial instruments (continued)**

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Derivatives at FVTPL RM</b>	<b>Total RM</b>
<b>2024</b>					
<b>Financial liabilities</b>					
Forward foreign currency contracts	-	-	-	-	-
Amount due to Manager	-	-	4,426,988	-	4,426,988
Amount due to Trustee	-	-	34,745	-	34,745
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,461,733</b>	<b>-</b>	<b>4,461,733</b>
<b>2023</b>					
<b>Financial assets</b>					
Investments	997,247,162	-	-	-	997,247,162
Amount due from Manager	-	341,069	-	-	341,069
Cash at bank	-	9,805,681	-	-	9,805,681
<b>Total financial assets</b>	<b>997,247,162</b>	<b>10,146,750</b>	<b>-</b>	<b>-</b>	<b>1,007,393,912</b>
<b>Financial liabilities</b>					
Forward foreign currency contracts	-	-	-	47,140,455	47,140,455
Amount due to Trustee	-	-	30,841	-	30,841
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>30,841</b>	<b>47,140,455</b>	<b>47,171,296</b>

## UNITED GLOBAL QUALITY EQUITY FUND

### 15. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial instruments that are carried at fair value

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2024</b>				
<b>Financial instruments</b>				
Collective				
investment scheme	1,051,999,944	-	-	1,051,999,944
Forward foreign				
currency contracts	-	7,910,860	-	7,910,860
Total financial instruments	<u>1,051,999,944</u>	<u>7,910,860</u>	<u>-</u>	<u>1,059,910,804</u>
<b>2023</b>				
<b>Financial instruments</b>				
Collective				
investment scheme	997,247,162	-	-	997,247,162
Forward foreign				
currency contracts	-	(47,140,455)	-	(47,140,455)
Total financial instruments	<u>997,247,162</u>	<u>(47,140,455)</u>	<u>-</u>	<u>950,106,707</u>

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **15. FINANCIAL INSTRUMENTS (CONTINUED)**

#### **(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Amount due from Target Fund Manager
- Cash at bank
- Amount due from/(to) Manager
- Amount due to Trustee
- NAV attributable to unitholders

There were no financial instruments which are not carried at fair values and whose carrying amounts are not reasonable approximation of their respective fair values.

### **16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks including market risk, credit risk, currency risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Market risk

Market risk refers to potential losses that may arise from changes in the market conditions which in turn affect the market prices of the investments of the Fund. Market conditions are generally affected by, amongst others, social environment, political and economic stability.

The Fund's overall exposure to market risk was as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Investments at FVTPL	<u>1,051,999,944</u>	<u>997,247,162</u>

The table below summarises the sensitivity of the Fund's net asset value and net income after taxation to movements in prices of investments. The analysis is based on the assumption that the price of the investments fluctuates by 5% with all other variables held constant.

	<b>Change in price of investments %</b>	<b>Market value RM</b>	<b>Impact on net income/(loss) after taxation and NAV RM</b>
<b>2024</b>			
	-5	999,399,947	(52,599,997)
	0	1,051,999,944	-
	+5	1,104,599,941	52,599,997
		<u>1,051,999,944</u>	<u>52,599,997</u>
<b>2023</b>			
	-5	947,384,804	(49,862,358)
	0	997,247,162	-
	+5	1,047,109,520	49,862,358
		<u>997,247,162</u>	<u>49,862,358</u>

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Credit risk

Credit concentration risk is associated with the number of underlying investments or financial institutions which a Fund invests in or places deposits with. For example a Fund which invests its assets in a single underlying instrument or places deposits with a single institution is more risky compared to a Fund with two or more underlying investments or institutions. This is because if the single issuer/financial institution default, it would have a significant impact to that Fund.

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The following table sets out maximum exposure to credit risk and the credit risk concentrations of the Fund.

	Investments RM	Cash at bank RM	Derivatives at FVTPL RM	Total RM	As a percentage of NAV %
<b>2024</b>					
AA1	-	2,576,680	-	2,576,680	0.24
AA3	-	-	3,643,758	3,643,758	0.34
AAA	-	-	4,267,102	4,267,102	0.40
Non-Rated	1,051,999,944	-	-	1,051,999,944	99.19
	<u>1,051,999,944</u>	<u>2,576,680</u>	<u>7,910,860</u>	<u>1,062,487,484</u>	<u>100.17</u>
<b>2023</b>					
AA1	-	9,805,681	-	9,805,681	1.02
AA3	-	-	(26,159,587)	(26,159,587)	(2.72)
AAA	-	-	(20,980,868)	(20,980,868)	(2.19)
Non-Rated	997,247,162	-	-	997,247,162	103.86
	<u>997,247,162</u>	<u>9,805,681</u>	<u>(47,140,455)</u>	<u>959,912,388</u>	<u>99.97</u>

The financial assets of the Fund are neither past due nor impaired.

## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Currency risk

This risk is associated with investments denominated in currencies different from the base currency. As the Fund is denominated in RM, investments in other currencies other than RM will cause the Fund to be exposed to currency risks. Fluctuations in the exchange rates of other currencies against the RM may affect the NAV of the Fund and consequently the NAV per unit of the Fund.

#### For the AUD hedged Class/MYR hedged Class/SGD hedged Class

The Fund will be investing in the Class USD distribution of the Target Fund which is denominated in USD, however, investors in the AUD hedged Class/MYR hedged Class/SGD hedged Class will be subject to a lower currency risk at the Fund level as the Manager will mitigate this risk by hedging the foreign currency exposure. Investors should note that by employing this hedging, investors would not be able to enjoy the additional currency gains when USD moves favourably against the RM. Additional transaction costs of hedging will also be borne by investors in the AUD hedged Class/MYR hedged Class/SGD hedged Class.

#### For the USD Class

As the Fund is investing in the Class USD distribution of the Target Fund which is denominated in USD, hence unitholders in this USD Class will be exposed to currency risk against the base currency of the Fund, changes in the exchange rate between the base currency of the Fund and the currency of denomination of the USD Class may adversely affect the value of the units of the USD Class.

The following table sets out the foreign currency risk concentrations of the Fund.

	2024		2023	
	Percentage of NAV		Percentage of NAV	
	RM	%	RM	%
<b>Australian Dollar (“AUD”)</b>				
Amount due to				
Manager	(843,303)	(0.08)	-	-
Forward foreign				
currency contracts	861,383	0.08	(369,996)	(0.04)
Cash at bank	258,098	0.03	169,371	0.02
Net asset value attributable				
to unitholders	32,604,375	3.07	35,399,771	3.69
	<u>32,880,553</u>	<u>3.10</u>	<u>35,199,146</u>	<u>3.67</u>



## UNITED GLOBAL QUALITY EQUITY FUND

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations of the Fund. (continued)

		<b>2024</b>		<b>2023</b>
		<b>Percentage</b>		<b>Percentage</b>
	<b>RM</b>	<b>of NAV</b>	<b>RM</b>	<b>of NAV</b>
		<b>%</b>		<b>%</b>
<b>Singapore Dollar (“SGD”)</b>				
Amount due to				
Manager	209,417	0.02	-	-
Forward foreign				
currency contracts	2,572	-*	(897,123)	(0.09)
Cash at bank	423,479	0.04	784,106	0.08
Net asset value attributable				
to unitholders	41,077,802	3.87	42,779,077	4.45
	<u>41,713,270</u>	<u>3.93</u>	<u>42,666,060</u>	<u>4.44</u>
<b>United States Dollar (“USD”)</b>				
Investments at FVTPL	1,051,999,944	99.19	997,247,163	103.86
Amount due to				
Manager	25,964	-*	(132,823)	(0.01)
Amount due from				
Manager	2,630,631	0.25	-	-
Cash at bank	901,069	0.09	2,842,925	0.30
Net asset value attributable				
to unitholders	44,592,640	4.20	52,689,471	5.48
	<u>1,100,150,248</u>	<u>103.73</u>	<u>1,052,646,735</u>	<u>109.63</u>

\* Represents less than 0.01

The following table summarises the sensitivity of the Fund’s net asset value and profit after tax to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remaining constant. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

**UNITED GLOBAL QUALITY EQUITY FUND**

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**(c) Currency risk (continued)**

		<b>2024</b>	<b>2023</b>
	<b>Change in foreign exchange rate %</b>	<b>Impact on net income/(loss) after taxation and NAV RM</b>	<b>Impact on net income/(loss) after taxation and NAV RM</b>
AUD	+5	1,644,028	1,759,957
	-5	(1,644,028)	(1,759,957)
SGD	+5	2,085,664	2,133,303
	-5	(2,085,664)	(2,133,303)
USD	+5	55,007,512	52,632,337
	-5	(55,007,512)	(52,632,337)

**(d) Liquidity risk**

In the event of unexpectedly large realisations of units, there may be a possibility that the assets of the Target Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Investment Manager of the Target Fund will ensure that a sufficient portion of the Target Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.

Investments by the Target Fund may be listed in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and lack of liquidity which are inherent characteristics of these markets.

## **UNITED GLOBAL QUALITY EQUITY FUND**

### **16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

#### **(d) Liquidity risk (continued)**

The natures of undiscounted contractual cash flows for financial assets of the Fund are:

- (i) The investments have no maturity period; and
- (ii) Other financial assets and financial liabilities will contractually mature less than one year from the reporting date at amounts not significantly different from that presented on the statement of financial position.

### **17. CAPITAL MANAGEMENT**

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund's units in issue at the end of the financial year are disclosed in Notes 8(a) to 8(d).

No changes were made to the Fund's objectives, policies or processes during the current and previous financial years.

## Appendix A

This Seventh Supplementary Master Prospectus dated 26 April 2024 was issued to reflect the following changes:-

No.	Section/ Chapter	Current	Revised
1	<b>1.8.7 Swing Pricing</b>	NA.	<p>The Target Fund is priced on a net asset value (single pricing) basis and the net asset value of the Target Fund may fall when it experiences large volumes of realisations or subscriptions because of significant transaction costs (for example, brokerage commissions, custody transaction costs, stamp duties or sales taxes) incurred in the purchase and sale of the Target Fund’s underlying investments. This effect is known as “dilution”.</p> <p>With effect from 28 June 2024, to protect the interest of investors, the Investment Manager of the Target Fund shall, in consultation with the trustee of the Target Fund, have the discretion to apply a technique known as “dilution adjustment” or “swing pricing” (“Swing Pricing”) in certain circumstances which the Investment Manager of the Target Fund deems appropriate. Swing Pricing involves making upward or downward adjustments in the calculation of the net asset value per unit of the Target Fund or its class on a particular dealing day, so that such transaction costs are, as far as practicable, passed on to the investors who are subscribing, realising, switching and/or exchanging units on that dealing day.</p> <p>The need to apply Swing Pricing will depend upon various factors, including but not limited to:</p> <ul style="list-style-type: none"><li>(a) the amount of subscriptions and/or realisations (including switches and/or exchanges) of units on that dealing day;</li><li>(b) the impact of any transaction costs incurred in the purchase and/or sale of underlying investments of the Target Fund;</li><li>(c) the spread between the buying and selling prices of underlying investments of the Target Fund; and</li><li>(d) market conditions such as financial turmoil,</li></ul> <p>provided that, any adjustments made by the Investment Manager of the Target Fund shall be on a fair and equitable basis and with a view to protecting the interests of investors.</p> <p>Typically, the net asset value per unit of the Target Fund is adjusted if the net subscription or realisation (including switches and/or exchanges) on a particular dealing day reaches or exceeds a certain percentage (the “Swing Threshold”) of the size of the Target Fund as of such dealing day. The net asset value of each unit of the Target Fund will swing upwards for a net subscription and downwards for a net realisation. The Investment Manager of the Target Fund will</p>

		<p>apply the same percentage of adjustment to the net asset value of all classes within the Target Fund.</p> <p>In the usual course of business, to minimise the impact to the variability of the return of the Target Fund, the application of Swing Pricing will be triggered mechanically and on a consistent basis and applied only when the net subscription or realisation for the Target Fund reaches or exceeds the Swing Threshold.</p> <p>The Swing Threshold will be set with the objective of protecting investors' interest while minimising impact to the variability of the Target Fund's return by ensuring that the net asset value per unit of the Target Fund is not adjusted where the dilution impact on the Target Fund is, in the opinion of the Investment Manager of the Target Fund, not significant, and may be varied by the Investment Manager of the Target Fund in its discretion.</p> <p>Please note that applying Swing Pricing when the Swing Threshold is reached or exceeded only reduces the effect of dilution and does not eliminate it entirely. Where the net subscription or realisation for the Target Fund is below the Swing Threshold, no Swing Pricing will be applied and your investment in the Target Fund may be diluted.</p> <p>The Swing Pricing policy (including the Swing Threshold) will be subject to regular review and may change from time to time. Accordingly, the Investment Manager of the Target Fund's decision to apply Swing Pricing and the level of adjustment made to the net asset value per unit of Class Z USD Dist of the Target Fund in particular circumstances may not result in the same decision in similar circumstances arising in the future.</p> <p><u>Maximum adjustment</u></p> <p>The amount of adjustment at any future point in time may vary depending on (inter alia) market conditions, but will not, under normal circumstances, exceed 2% (the "Maximum Adjustment") of the net asset value per unit of Class Z USD Dist of the Target Fund on a dealing day. The Investment Manager of the Target Fund reserves the right to apply an adjustment of an amount not exceeding the Maximum Adjustment on a dealing day where it deems appropriate and has the discretion to vary the amount of adjustment up to the Maximum Adjustment, in consultation with the trustee of the Target Fund, from time to time without giving notice to the relevant investors.</p> <p>Subject to the Target Fund's deed and the applicable laws and regulations, the Investment Manager of the Target Fund may, in exceptional circumstances (including but not limited to volatile market conditions, market turmoil and illiquidity in the market, extraordinary market circumstances or significant unexpected</p>
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		<p>changes in general market conditions) and in consultation with the trustee of the Target Fund, temporarily apply an adjustment beyond the Maximum Adjustment on a dealing day if, in its opinion, it is in the best interest of investors to do so. In such cases, if required by the Authority and/or the trustee of the Target Fund, the Investment Manager of the Target Fund shall give notice to the affected investors as soon as practicable in such manner as the Investment Manager of the Target Fund and trustee of the Target Fund may agree.</p> <p><u>Performance and fee calculations</u></p> <p>Investors should also note that:</p> <ul style="list-style-type: none"><li>(a) the Target Fund's performance will be calculated based on the net asset value of the Target Fund after any Swing Pricing adjustment has been applied (i.e. swung net asset value) and therefore the returns of the Target Fund may be influenced by the level of subscription and/or realisation activity;</li><li>(b) Swing Pricing could increase the variability of the returns of the Target Fund since the returns are calculated based on the adjusted net asset value per unit of the Target Fund; and</li><li>(c) the fees payable out of the Target Fund (including fees based on the net asset value of the Target Fund) will be based on the net asset value of the Target Fund before the Swing Pricing adjustment is applied (i.e. unswung net asset value).</li></ul>
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**(F) CORPORATE INFORMATION**

<b>Manager</b>	UOB Asset Management (Malaysia) Berhad 199101009166 (219478-X)  Level 20, UOB Plaza 1 7 Jalan Raja Laut 50350 Kuala Lumpur  Tel: 03-2779 0011 Fax: 03-2602 1011  Website: <a href="http://www.uobam.com.my">www.uobam.com.my</a>
<b>Board of Directors</b>	Mr Cheah Shu Kheem Mr Thio Boon Kiat (alternate to Mr Cheah Shu Kheem) Ms Fan Lee Boey Mr Seow Voon Ping Puan Zalinah binti A Hamid Dato' Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar Ms Lim Suet Ling (Executive Director & CEO)
<b>Trustee</b>	TMF Trustees Malaysia Berhad 200301008392 (610812-W)
<b>Auditor of the Fund</b>	Ernst & Young PLT
<b>Tax Adviser of the Fund</b>	Deloitte Tax Services Sdn Bhd
<b>Investment Manager of the Target Fund</b>	UOB Asset Management Ltd
<b>Sub-Manager of the Target Fund</b>	Wellington Management Singapore Pte. Ltd

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