



United Singapore Growth Fund

Semi Annual Report

for the half year ended
30 June 2022

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

MANAGER

UOB Asset Management Ltd
Registered Address:
80 Raffles Place
UOB Plaza
Singapore 048624
Company Registration No. : 198600120Z
Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai
Peh Kian Heng
Thio Boon Kiat
Lam Sai Yoke (Appointed 1 February 2022)
Edmund Leong Kok Mun (Appointed 1 February 2022)
Eric Tham Kah Jin (Resigned 31 January 2022)

TRUSTEE

State Street Trust (SG) Limited
168 Robinson Road
#33-01, Capital Tower
Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

State Street Bank and Trust Company, acting through its Singapore Branch
168 Robinson Road
#33-01, Capital Tower
Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

United Singapore Growth Fund

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

A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 28 February 1990 Ann Comp Ret
United Singapore Growth Fund	-6.90	2.09	2.63	0.69	2.50	3.45	5.71
Benchmark	-7.49	1.37	2.93	1.42	3.67	4.64	4.62

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.

The benchmark of the Fund: Since Inception - 31 December 2012: Straits Times Index; 1 January 2013 - 4 May 2021: MSCI Singapore Index; 5 May 2021 to Present: FTSE Straits Times Index.

For the six months ended 30 June 2022, the net asset value (NAV) of the Fund **rose 2.09%** compared with the 1.37% gain in the benchmark FTSE Straits Times Index in Singapore Dollar (SGD) terms.

The Fund's outperformance was largely attributed to positive stock selection in the **Industrials** and **Real Estate** sectors. This more than offset drags from the **Financials** sector.

Key contributors to performance included **Keppel Corporation**, **CapitaLand Investment Limited** and **City Developments**.

Key detractors included **DBS Group Holdings Ltd**, **iFAST Corporation Ltd** and **ARA LOGOS Logistics Trust**.

As at 30 June 2022, the Fund had the following sector allocation: **Financials** (43.86%), **Industrials** (21.64%), **Real Estate** (19.96%), **Communication Services** (4.53%), others (6.45%) and 3.56% in cash.

Economic and Market Review

The Asian equity markets kicked off the year on a weak footing and remained in a downtrend for the six-month period under review ended 30 June 2022. Markets were volatile and were dominated by monetary policies of major central banks around the world and a myriad of headwinds. Fears of stagflation, the outburst of Omicron in **China** and economic risks from a property slowdown in **China** weighed on investor sentiment.

In February, Asia markets tumbled alongside a global selloff as escalating Russia-Ukraine tensions added to existing concerns over US Fed's rate lift off in March. UST bond yields spiked as investors grappled with the US Fed's hawkish signaling which led to parts of the US yield curve inverting. Despite this, Asia markets outperformed as strength in ASEAN partly offset **China's** renewed Covid woes.

United Singapore Growth Fund

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

A) Fund Performance (continued)

Asia was a relative safe haven amid EU's energy crisis and continued to outperform during the period under review. However, rotation of leaders led to a divergence in performance. In ASEAN, **Indonesia** and **Thailand** led, while **Singapore** was a laggard. **Singapore** initially outperformed in the first quarter of period under review largely driven by the **Financials** sector on back of rising net interest margins, along with an earlier-than-expected economy reopening which supported investor optimism in tourism-related sectors.

However, the market witnessed a reversal as headwinds from rising costs on household spending, easing of pent-up demand and a slowdown in exports weighed on sentiment. As it is, **Singapore's** preliminary 2Q2022 GDP was unchanged QoQ after recording an upwardly revised 0.9% expansion in first quarter. All three main sectors of manufacturing, services and construction expanded although the pace of increase moderated. On a YoY basis, GDP grew by 4.8% in second quarter.

Amid the higher than expected inflationary pressures, the MAS tightened its monetary policy twice through two off-cycles re-centering of the S\$NEER policy band as it seeks to temper inflation level. In addition, the government announced a \$1.5 billion fiscal support package on 21st June to alleviate the impact of inflation on the wider population. The support package comprised mostly of utility credits and GST vouchers.

Outlook and Fund Strategy

The outlook for Asia equities market is mixed in the near term amid an uncertain global macro environment. Downward revisions to growth expectations due to supply shocks in food commodities and fossil fuel is playing out. Despite this, corporates' profitability remain susceptible as consumer sentiment turns increasingly fragile against a slowing global growth backdrop even as there are signs of inflation momentum may be slowing ahead.

We expect **Singapore's** GDP to see a moderation as we head into 2023. The MAS projects GDP growth to come in at the lower half of the 3-5% range forecast for 2022 (vs 2021: 7.6%), and core inflation at 3-4%. **Singapore** is a beneficiary of global re-opening but its exports growth is vulnerable to a global growth slowdown. **Singapore** is highly exposed to EU consumer demand especially in tourism related industries, as well as the US demand mainly through the services sector. This underscores our defensive tilt towards consumer, energy and REITs, as well as a value bias in our positioning.

We have a constructive view on reopening plays as we expect the return of tourists and global travel to pick up. This should provide a boost to retail spending and hospitality/tourism-related industry in general. Hospitality and Retail REITs notably in prime Orchard areas are beneficiaries.

In addition, we have preference for potential inflation hedges amid an elevated inflation environment. Selective property, industrial and consumer durables are likely to fare better due to a more limited impact on demand. In particular, **Consumer Staples** with strong pricing power and value food services would be more resilient. We have also positioned favorably in the **Energy** sector for its earnings resilience on back of its inelastic demand amid rising power costs.

Key risks to our defensive positioning include a drastic global growth slowdown, elevated and/or longer than expected inflationary pressures and a faster taper by central banks.

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

B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2022 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Singapore	43,055,002	96.44
Portfolio of investments	43,055,002	96.44
Other net assets/(liabilities)	1,587,806	3.56
Total	44,642,808	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	2,024,000	4.53
Consumer Discretionary	425,304	0.95
Consumer Staples	1,395,416	3.12
Financials	19,578,470	43.86
Industrials	9,659,587	21.64
Information Technology	1,062,657	2.38
Real Estate	8,909,568	19.96
Portfolio of investments	43,055,002	96.44
Other net assets/(liabilities)	1,587,806	3.56
Total	44,642,808	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	43,055,002	96.44
Other net assets/(liabilities)	1,587,806	3.56
Total	44,642,808	100.00

iv) Credit rating of quoted bonds

N/A

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

C) Top Ten Holdings

10 largest holdings as at 30 June 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
DBS GROUP HOLDINGS LTD	7,271,600	16.29
OVERSEA-CHINESE BANKING CORP LTD	5,948,997	13.33
UNITED OVERSEAS BANK LTD*	4,726,969	10.59
KEPPEL CORP LTD	3,425,422	7.67
CAPITALAND INVESTMENT LTD/SINGAPORE	2,865,000	6.42
SINGAPORE TECHNOLOGIES ENGINEERING LTD	2,448,000	5.49
SINGAPORE AIRLINES LTD	2,318,460	5.19
SINGAPORE TELECOMMUNICATIONS LTD	2,024,000	4.53
CAPITALAND INTEGRATED COMMERCIAL TRUST	1,861,730	4.17
SINGAPORE EXCHANGE LTD	1,630,904	3.65

10 largest holdings as at 30 June 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
OVERSEA-CHINESE BANKING CORP LTD	7,773,475	16.17
DBS GROUP HOLDINGS LTD	6,558,200	13.65
UNITED OVERSEAS BANK LTD*	5,165,937	10.75
KEPPEL CORP LTD	3,282,000	6.83
NANOFILM TECHNOLOGIES INTERNATIONAL LTD	2,909,700	6.05
SINGAPORE AIRLINES LTD	2,425,000	5.05
SINGAPORE TECHNOLOGIES ENGINEERING LTD	2,322,000	4.83
SINGAPORE TELECOMMUNICATIONS LTD	1,832,000	3.81
IFAST CORP LTD	1,630,000	3.39
ASCENDAS REAL ESTATE INVESTMENT TRUST	1,599,935	3.33

* The Manager is a subsidiary of United Overseas Bank Ltd.

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

D) Exposure to derivatives

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

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

- i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2022

N/A

- ii) There was a net realised loss of SGD 642 on derivative contracts during the financial period from 1 January 2022 to 30 June 2022.

- iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2022

N/A

E) Amount and percentage of NAV invested in other schemes as at 30 June 2022

N/A

F) Amount and percentage of borrowings to NAV as at 30 June 2022

N/A

G) Amount of redemptions and subscriptions for the financial period from 1 January 2022 to 30 June 2022

Total amount of redemptions	SGD	2,294,280
Total amount of subscriptions	SGD	1,622,486

H) The amount and terms of related-party transactions for the financial period from 1 January 2022 to 30 June 2022

- i) As at 30 June 2022, the Fund maintained current accounts with its related party as follows:

State Street Bank and Trust Company, Singapore Branch

Cash and bank balances	SGD	1,606,599
------------------------	-----	-----------

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

H) The amount and terms of related-party transactions for the financial period from 1 January 2022 to 30 June 2022 (continued)

ii) Investment in Initial Public Offerings managed by UOB Group

N/A

iii) As at 30 June 2022, the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 4,782.

I) Expense ratios

	2022	2021
	\$	\$
Total operating expenses	682,304	650,362
Average daily net asset value	<u>46,886,542</u>	<u>45,420,572</u>
Expense ratio	<u>1.46%</u>	<u>1.43%</u>

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Fund's expense ratio at 30 June 2022 was based on total operating expenses divided by the average net asset value respectively for the financial period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

J) Turnover ratios

	2022	2021
	\$	\$
Lower of total value of purchases or sales	2,966,314	19,851,695
Average daily net assets value	<u>47,054,672</u>	<u>48,095,076</u>
Turnover ratio	<u>6.30%</u>	<u>41.28%</u>

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value.

K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts

N/A

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

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ("the underlying scheme")¹ should be disclosed as well

- i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2022 and 30 June 2021

N/A

- ii) Expense ratios for the financial period ended 30 June 2022 and 30 June 2021

N/A

- iii) Turnover ratios for the financial period ended 30 June 2022 and 30 June 2021

N/A

¹ Where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.

M) Soft dollar commissions/arrangements

UOB Asset Management has entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The products and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management's duties to clients. As such services generally benefit all of UOB Asset Management's clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on a best execution basis and there was no churning of trades.

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

N/A

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

STATEMENT OF TOTAL RETURN

For the half year ended 30 June 2022 (Un-audited)

	30 June 2022 \$	30 June 2021 \$
Income		
Dividends	930,146	640,812
Interest	10	-
Total	930,156	640,812
Less: Expenses		
Management fee	233,488	238,311
Trustee fee	8,132	8,392
Audit fee	8,270	8,030
Registrar fee	7,439	7,469
Custody fee	5,848	11,733
Transaction costs	14,379	106,292
Other expenses	60,775	41,647
Total	338,331	421,874
Net income/(losses)	591,825	218,938
Net gains/(losses) on value of investments and financial derivatives		
Net gains/(losses) on investments	391,750	4,667,218
Net gains/(losses) on financial derivatives	(642)	245,349
Net foreign exchange gains/(losses)	1,617	(330)
	392,725	4,912,237
Total return/(deficit) for the financial period before income tax	984,550	5,131,175
Less: Income tax	(8,324)	(12,163)
Total return/(deficit) for the financial period	976,226	5,119,012

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (Un-audited)

	30 June 2022 \$	31 December 2021 \$
Assets		
Portfolio of investments	43,055,002	42,761,069
Receivables	22,040	130,077
Cash and bank balances	1,606,599	2,011,709
Margin accounts	717,085	717,564
Total assets	<u>45,400,726</u>	<u>45,620,419</u>
Liabilities		
Payables	238,633	234,294
Distribution payable	519,285	528,464
Total liabilities	<u>757,918</u>	<u>762,758</u>
Equity		
Net assets attributable to unitholders	<u>44,642,808</u>	<u>44,857,661</u>

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 30 June 2022 (Un-audited)

	30 June 2022 \$	31 December 2021 \$
Net assets attributable to unitholders at the beginning of the financial period/year	44,857,661	44,975,585
Operations		
Change in net assets attributable to unitholders resulting from operations	976,226	5,368,717
Unitholders' contributions/(withdrawals)		
Creation of units	1,622,486	4,719,190
Cancellation of units	<u>(2,294,280)</u>	<u>(9,114,785)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(671,794)	(4,395,595)
Distributions	(519,285)	(1,091,046)
Total increase/(decrease) in net assets attributable to unitholders	<u>(214,853)</u>	<u>(117,924)</u>
Net assets attributable to unitholders at the end of the financial period/year	<u>44,642,808</u>	<u>44,857,661</u>

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Un-audited)

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Industry - Primary			
Quoted equities			
COMMUNICATION SERVICES			
SINGAPORE TELECOMMUNICATIONS LTD	800,000	2,024,000	4.53
CONSUMER DISCRETIONARY			
GENTING SINGAPORE LTD	590,700	425,304	0.95
CONSUMER STAPLES			
WILMAR INTERNATIONAL LTD	345,400	1,395,416	3.12
FINANCIALS			
DBS GROUP HOLDINGS LTD	245,000	7,271,600	16.29
OVERSEA-CHINESE BANKING CORP LTD	522,300	5,948,997	13.33
SINGAPORE EXCHANGE LTD	172,400	1,630,904	3.65
UNITED OVERSEAS BANK LTD*	180,075	<u>4,726,969</u>	<u>10.59</u>
TOTAL FINANCIALS		<u>19,578,470</u>	<u>43.86</u>
INDUSTRIALS			
COMFORTDELGRO CORP LTD	417,900	585,060	1.31
KEPPEL CORP LTD	527,800	3,425,422	7.67
SEMBCORP INDUSTRIES LTD	309,700	882,645	1.98
SINGAPORE AIRLINES LTD	454,600	2,318,460	5.19
SINGAPORE TECHNOLOGIES ENGINEERING LTD	600,000	<u>2,448,000</u>	<u>5.49</u>
TOTAL INDUSTRIALS		<u>9,659,587</u>	<u>21.64</u>

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Un-audited)

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Industry - Primary (continued)			
Quoted equities			
INFORMATION TECHNOLOGY			
VENTURE CORP LTD	63,900	1,062,657	2.38
REAL ESTATE			
ASCENDAS REAL ESTATE INVESTMENT TRUST	542,351	1,545,700	3.46
CAPITALAND INTEGRATED COMMERCIAL TRUST	857,940	1,861,730	4.17
CAPITALAND INVESTMENT LTD/SINGAPORE	750,000	2,865,000	6.42
CDL HOSPITALITY TRUSTS STAPLED SECURITY	31,800	40,386	0.09
CITY DEVELOPMENTS LTD	200,000	1,630,000	3.65
ESR LOGOS REIT	1,798,961	728,579	1.63
KEPPEL DC REIT	120,900	238,173	0.54
TOTAL REAL ESTATE		8,909,568	19.96
Total Equities		43,055,002	96.44
Portfolio of investments		43,055,002	96.44
Other net assets/(liabilities)		1,587,806	3.56
Net assets attributable to unitholders		44,642,808	100.00

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Un-audited)

	Percentage of total net assets attributable to unitholders at 30 June 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Industry - Primary (Summary)		
Quoted equities		
Communication Services	4.53	4.14
Consumer Discretionary	0.95	-
Consumer Staples	3.12	2.31
Financials	43.86	46.74
Industrials	21.64	19.28
Information Technology	2.38	2.61
Real Estate	19.96	20.25
Portfolio of investments	96.44	95.33
Other net assets/(liabilities)	3.56	4.67
Net assets attributable to unitholders	100.00	100.00

By Geography - Secondary

Quoted equities

The Fund invests wholly in Singapore equities.

