

GrowthPath Portfolios

➤ GrowthPath 2020

Annual Report

for the financial year ended
30 June 2020

GrowthPath Portfolios

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

MANAGER

UOB Asset Management Ltd

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DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

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TRUSTEE

State Street Trust (SG) Limited

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CUSTODIAN / ADMINISTRATOR / REGISTRAR

State Street Bank and Trust Company, acting through its Singapore Branch

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AUDITOR

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GrowthPath 2020

(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 2 December 2002 Ann Comp Ret
GrowthPath 2020	8.30	3.33	7.34	5.20	4.98	4.25	4.37
Benchmark	3.68	4.74	7.07	5.08	5.16	4.73	4.78

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: Composite Benchmark comprises of MSCI AC WI, Singapore Straits Times Index, Citigroup G7 Govt Bond Index (known as FTSE G7 Government Bond Index from 31 July 2018), TR/SGX SFI Govt Bond Index. Actual % vary from time to time.

The asset allocation as at 30 June 2020 were as follow:

Allocation (%)	GrowthPath 2020
Singapore Equity	3.11
Global Equity	21.70
Singapore Fixed Income	18.83
Global Fixed Income	56.22
Cash	0.14
Total	100.00

	12 Months Performance	Benchmark	Excess Returns
GrowthPath 2020	7.34%	7.07%	0.27%

As shown in the above table, for the twelve-month period under review, the GrowthPath 2020 portfolio outperformed its respective benchmark.

Economic and Market Review

The first half of 2020 has been one of the most volatile periods in history. The first quarter of the year saw global equities suffered the fastest bear market decline in March from the market peak in February in less than a month. However, the comeback rally in the second quarter turned in the best quarterly performance since the 1960s. In other words, it went from a bear to a bull market in back to back quarters which was unprecedented.

A) Fund Performance (continued)

Economic activities fell to record lows in the wake of the dislocations brought about by the onset of the coronavirus (COVID-19) pandemic which was declared a global pandemic in March. In the **US**, unemployment soared to 14.7% in April, fell to the lowest on record with retail sales down by 19.9% and industrial production by 16.3% with the consensus estimated decline for the **US** second-quarter GDP weighing in at 33%. Eurozone industrial production in April had fallen by a record 18.2%, with retail sales lower by 20.5%. **China** was the first to bear the brunt of the pandemic fallout but had recovered substantially by end June to pre-virus levels with its industrial production up 4.8% on a year-on-year basis.

Global central banks led by the **US** Federal Reserve (Fed) were quick to respond to the sharp economic deterioration with aggressive quantitative easing including expanded bond purchasing programmes and slashing of interest rates to near zero. These were further augmented by additional support from state fiscal support measures to shore up businesses and aid households which accounted for 10-20% of the national GDP in various countries. These actions helped to spark a rally in global markets from their March lows and clawed back most of their losses as of end June despite the weak macroeconomic. The MSCI World Index which fell as much as 30% in March ended the first six months of 2020 down by only 3.1%. The MSCI World Index ended the twelve-month period ending 30 June 2020 up 5.7%. The top performing markets were China A-shares up 11.1% and the US S&P 500 which was up 10.7%. **Japan's** TOPIX was up 6.2% and Asia ex Japan equities gained 4.9%. The MSCI Euro Index ended the one-year period down 3.1%.

Fixed income market were volatile over the first half of the year with government bond yields plunging to record lows while credit spreads swung wildly. The US Treasury (UST) 10-year bond had started the year with a yield of 2.02% closed with a yield of 0.65% by end June. The average credit spread of the Barclays Global Aggregate Investment Grade Credit Index which started the period at 1.16 % spiked to 2.66% at the end of March before closing in June at 1.56%. The JPM Asia Credit Investment Grade average credit spread started the year at 1.90% before spiking to 2.99% at end March to close at 2.59% as at end June.

The path ahead remain uncertain as the pandemic remains widespread, clocking up more than 10 million cases worldwide as of end June with infections still rising in particularly in the **US, Brazil, Russia** and **India**. While countries in Europe and Asia appear to have contained outbreaks with better success, the risk of second-wave outbreaks remain. The timeline for a global recovery to post-pandemic levels seems unclear as long as it is also tied to the trajectory of the virus spread in the absence of a vaccine.

Outlook and Fund Strategy

Over the past six months, global economic activities have plummeted in the wake of the dislocations brought about by the coronavirus (COVID-19) pandemic. Despite this, global markets have rallied from the lows at the end of the first quarter and recover a significant portion of the initial sharp losses. The comeback rally came just as economic data was plunging with no clarity as to how far economic activities would fall which has created a huge divergence between the economic and market trajectories.

A) Fund Performance (continued)

We expect the equities recovery to look more “square root” shaped – one that sees a quick rebound, only to be followed by a drawn out period of subpar growth similar to the flat top of a square root sign. Having said that, we note that the economic outlook may quickly improve if a vaccine is found and mass produced. In that case, global recovery would be sharp and more V-shaped. Current market expectations are for a vaccine to emerge and be available by the second half of 2021. The fallout from the pandemic has severely dented global consumption. Hence, near-term inflation is expected to decline on the back of falling demand, lower oil prices and the ballooning slack in the labour market. Demand-driven disinflationary pressures are likely to be more than offset any rise in near-term inflation due to supply constraints. Looking ahead, structural forces such as aging demographics and technological disruption may exert deflationary pressures.

We remain *overweight* in investment grade corporate credits. Investment grade credit spreads have largely priced in recession risks and look attractive against a backdrop of historic policy support. Global investment grade spreads had widened from 100 basis points (bps) pre-crisis to over 300 bps at the peak of the crisis, and have stayed elevated at close to 175 bps as of end June.

We expect credit markets to normalise over the coming year like the equity markets are doing. The contraction in spreads will boost credit returns to the mid-single digits range. We remain confident that investment grade credits will largely avoid defaults in light of the policy support from major central banks around the world. On a risk/reward basis, we find investment grade credits to be one of the most attractive asset classes.

While we think the fixed income and equity market outlook is fairly constructive, we expect the second half of 2020 to remain volatile. The pace of the pandemic remains uncertain and risks persist in emerging markets dealing with virus outbreaks. We seek to stay invested but remain prepared to de-risk if there are signs that the recovery is off track.

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B) Investments at fair value and as a percentage of net asset value ("NAV") as at 30 June 2020 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
Singapore	9,011,923	99.86
Portfolio of investments	9,011,923	99.86
Other net assets/(liabilities)	12,624	0.14
Total	9,024,547	100.00

ii) Industry

N/A

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted unit trusts	9,011,923	99.86
Other net assets/(liabilities)	12,624	0.14
Total	9,024,547	100.00

iv) Credit rating of quoted bonds

N/A

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C) Top Ten Holdings

10 largest holdings as at 30 June 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITED HIGH GRADE CORPORATE BOND FUND - CLASS A SGD ACC	5,073,633	56.22
UNITED INTERNATIONAL GROWTH FUND	1,948,653	21.59
UNITED SINGAPORE BOND FUND	1,698,976	18.83
UNITED SINGAPORE GROWTH FUND	280,803	3.11
UNITED ASIA FUND	9,858	0.11

There were only 5 holdings as at 30 June 2020.

10 largest holdings as at 30 June 2019

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UNITED HIGH GRADE CORPORATE BOND FUND - CLASS A SGD ACC	5,165,819	55.90
UNITED INTERNATIONAL GROWTH FUND	1,797,692	19.45
UNITED SINGAPORE BOND FUND	1,679,459	18.17
UNITED SINGAPORE GROWTH FUND	441,200	4.78
UNITED ASIA FUND	87,038	0.94

There were only 5 holdings as at 30 June 2019.

D) Exposure to derivatives

i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2020

N/A

ii) Net gains/(losses) on derivative contracts realised during the financial year ended 30 June 2020

N/A

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D) Exposure to derivatives (continued)

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2020

N/A

E) Amount and percentage of NAV invested in other schemes as at 30 June 2020

Please refer to the Statement of Portfolio.

F) Amount and percentage of borrowings to NAV as at 30 June 2020

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2020

Total amount of redemptions	SGD	1,031,032
Total amount of subscriptions	SGD	177,836

H) The amount and terms of related-party transactions for the financial year ended 30 June 2020

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

I) Expense ratios

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

J) Turnover ratios

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

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

N/A

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

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2020 and 30 June 2019

10 largest holdings as at 30 June 2020

	United High Grade Corporate Bond Fund	
	Fair Value	Percentage of
	(S\$)	total net assets
		attributable to
		unitholders
		%
TAKEDA PHARMACEUTICAL SR UNSECURED 07/50 3.175	1,676,678	2.76
MICRON TECHNOLOGY INC SR UNSECURED 04/23 2.497	1,451,045	2.39
BROADCOM INC COMPANY GUARANT REGS 11/23 2.25	1,442,553	2.37
UPJOHN INC COMPANY GUARANT REGS 06/27 2.3	1,441,304	2.37
NIAGARA MOHAWK POWER SR UNSECURED REGS 06/50 3.025	1,440,438	2.37
NETAPP INC SR UNSECURED 06/27 2.375	1,419,038	2.33
WELLTOWER INC SR UNSECURED 01/31 2.75	1,396,605	2.30
ALTRIA GROUP INC COMPANY GUARANT 05/25 2.35	1,174,074	1.93
WESTPAC BANKING CORP SR UNSECURED 01/23 2	1,155,871	1.90
UBS AG SUBORDINATED REGS 05/24 5.125	911,013	1.50

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

i) Top 10 holdings at fair value and as percentage of NAV as at 30 June 2020 and 30 June 2019 (continued)

10 largest holdings as at 30 June 2019

	United High Grade Corporate Bond Fund	
	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SICHUAN RAILWAY INVESTMENT GROUP SR UNSECURED REGS 06/22 3.8	1,087,854	2.48
RUSSIAN FEDERATION SR UNSECURED REGS 03/35 5.1	883,232	2.02
SWISS RE FINANCE LUXEMBOURG COMPANY GUARANT REGS 04/49 VAR	871,435	1.99
UBS AG SUBORDINATED REGS 05/24 5.125	862,643	1.97
HSBC HOLDINGS PLC SR UNSECURED 05/30 VAR	848,633	1.94
JIANGXI RAILWAY INVESTMENT SR UNSECURED REGS 02/22 4.85	831,496	1.90
PERUSAHAAN LISTRIK NEGARA PT SR UNSECURED REGS 10/25 2.875	830,661	1.90
ANHEUSER BUSCH INBEV WORLDWIDE COMPANY GUARANT 01/49 5.55	830,204	1.90
BEIJING ENVIRONMENT BVI CO LTD COMPANY GUARANT REGS 10/21 5.3	829,132	1.89
FEDERAL INTERNATIONAL FINANCE SR UNSECURED REGS 05/21 4.125	825,123	1.89

ii) Expense ratios for the financial year ended 30 June 2020 and 30 June 2019

United High Grade Corporate Bond Fund - Class A SGD Acc

30 June 2020	1.18%
30 June 2019	1.14%

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 underlying scheme's expense ratio at 30 June 2020 was based on total operating expenses divided by the average net asset value respectively for the financial year. 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 underlying scheme does not pay any performance fee. The average net asset value is based on the daily balances.

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

iii) Turnover ratios for the financial year ended 30 June 2020 and 30 June 2019

United High Grade Corporate Bond Fund

30 June 2020	296.18%
30 June 2019	307.95%

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.

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

GrowthPath Portfolios

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REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of the sub-fund of GrowthPath Portfolios, namely GrowthPath 2020 (the "Sub-Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Fund during the financial year covered by these financial statements, set out on pages 16 to 38, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
STATE STREET TRUST (SG) LIMITED

Authorised signatory
23 September 2020

GrowthPath Portfolios

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STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 16 to 38, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the sub-fund of GrowthPath Portfolios, namely GrowthPath 2020 (the "Sub-Fund") as at 30 June 2020, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT
Authorised signatory
23 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF GROWTHPATH PORTFOLIOS

Our Opinion

In our opinion, the accompanying financial statements of the sub-fund of GrowthPath Portfolios, namely GrowthPath 2020 (the "Sub-Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Sub-Fund as at 30 June 2020, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Sub-Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2020;
- the Statement of Financial Position as at 30 June 2020;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2020;
- the Statement of Portfolio as at 30 June 2020; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Sub-Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which states that the Sub-Fund will mature and terminate on 31 December 2020 in accordance with the prospectus. Consequently, the financial statements of the Sub-Fund has been prepared on a liquidation basis. Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF GROWTHPATH PORTFOLIOS

Other Information

The Sub-Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Sub-Fund or to cease the Sub-Fund's operations, or has no realistic alternative but to do so. Note 1 to the financial statements indicates that the Sub-Fund will mature and terminate on 31 December 2020 in accordance with the prospectus.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF GROWTHPATH PORTFOLIOS

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative basis used by management is acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 September 2020

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STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2020

		GrowthPath 2020	
		2020	2019
	Note	\$	\$
Income			
Dividends		9,758	17,007
Interest		<u>1</u>	<u>2</u>
Total		<u>9,759</u>	<u>17,009</u>
Less: Expenses			
Management fee	9	87,684	87,934
Less: Management fee rebate	9	(73,841)	(75,021)
Trustee fee	9	4,976	5,014
Audit fee		8,488	8,744
Registrar fee	9	14,928	15,041
Valuation fee	9	9,230	9,256
Custody fee	9	5,255	4,314
Other expenses		<u>43,869</u>	<u>15,440</u>
Total		<u>100,589</u>	<u>70,722</u>
Net income/(losses)		<u>(90,830)</u>	<u>(53,713)</u>
Net gains/(losses) on value of investments			
Net gains/(losses) on investments		727,314	646,441
Net foreign exchange gains/(losses)		<u>(12)</u>	<u>(202)</u>
		<u>727,302</u>	<u>646,239</u>
Total return/(deficit) for the financial year		<u>636,472</u>	<u>592,526</u>

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

GrowthPath Portfolios

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	GrowthPath 2020	
		2020	2019
		\$	\$
Assets			
Portfolio of investments		9,011,923	9,171,208
Sales awaiting settlement		55,093	-
Receivables	4	27,547	36,020
Cash and bank balances		<u>35,526</u>	<u>78,350</u>
Total assets		<u>9,130,089</u>	<u>9,285,578</u>
Liabilities			
Payables	5	<u>105,542</u>	<u>44,307</u>
Total liabilities		<u>105,542</u>	<u>44,307</u>
Equity			
Net assets attributable to unitholders	6	<u>9,024,547</u>	<u>9,241,271</u>

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

GrowthPath Portfolios

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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2020

		GrowthPath 2020	
		2020	2019
	Note	\$	\$
Net assets attributable to unitholders at the beginning of the financial year		9,241,271	9,658,659
Operations			
Change in net assets attributable to unitholders resulting from operations		636,472	592,526
Unitholders' contributions/(withdrawals)			
Creation of units		177,836	89,444
Cancellation of units		(1,031,032)	(1,099,358)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(853,196)	(1,009,914)
Total increase/(decrease) in net assets attributable to unitholders		(216,724)	(417,388)
Net assets attributable to unitholders at the end of the financial year	6	9,024,547	9,241,271

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

GrowthPath Portfolios

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STATEMENT OF PORTFOLIO

As at 30 June 2020

	GrowthPath 2020		
	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography - Primary			
Quoted unit trusts			
SINGAPORE			
UNITED ASIA FUND	4,561	9,858	0.11
UNITED HIGH GRADE CORPORATE BOND FUND - CLASS A SGD ACC	2,900,877	5,073,633	56.22
UNITED INTERNATIONAL GROWTH FUND	604,421	1,948,653	21.59
UNITED SINGAPORE BOND FUND	1,022,248	1,698,976	18.83
UNITED SINGAPORE GROWTH FUND	95,739	<u>280,803</u>	<u>3.11</u>
TOTAL SINGAPORE		<u>9,011,923</u>	<u>99.86</u>
Portfolio of investments		9,011,923	99.86
Other net assets/(liabilities)		<u>12,624</u>	<u>0.14</u>
Net assets attributable to unitholders		<u>9,024,547</u>	<u>100.00</u>

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

GrowthPath Portfolios

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STATEMENT OF PORTFOLIO

As at 30 June 2020

	GrowthPath 2020	
	Percentage of total net assets attributable to unitholders at 30 June 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography - Primary (Summary)		
Quoted unit trusts		
Singapore	<u>99.86</u>	<u>99.24</u>
Portfolio of investments	99.86	99.24
Other net assets/(liabilities)	<u>0.14</u>	<u>0.76</u>
Net assets attributable to unitholders	<u>100.00</u>	<u>100.00</u>

As the Sub-Fund is invested wholly into quoted unit trusts, it is not meaningful to classify the investments into industry segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

1 General

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

GrowthPath Portfolios currently offers four sub-funds namely, GrowthPath Today, GrowthPath 2020, GrowthPath 2030 and GrowthPath 2040 (collectively referred to as the “Sub-Funds” or individually referred to as the “Sub-Fund”). On their respective maturity dates of 31 December 2020, 31 December 2030 and 31 December 2040, GrowthPath 2020, GrowthPath 2030 and GrowthPath 2040 will be automatically terminated and merged into GrowthPath Today. Only the financial statements of GrowthPath 2020 are included in this report. GrowthPath Today, GrowthPath 2030 and GrowthPath 2040 are being prepared on a going concern basis in a separate set of annual report.

The primary activity of the Sub-Fund is to invest in a combination of offshore collective investment schemes and local collective investment schemes, and direct investments in equities, bonds and short-term money market instruments, as may be determined by the Manager working with the investment adviser, in proportions suggested by each portfolio's comprehensive asset allocation strategy that gradually becomes more conservative as the year in the portfolio's name approaches.

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

2 Significant accounting policies

(a) Basis of preparation

The financial statements of the Sub-Fund has been prepared on a liquidation basis of accounting, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants. Provisions have been made to write down the assets to their realisable values, as well as provided for all expected liabilities that may arise from the termination of the Sub-Fund. Liabilities incurred subsequent to the date of termination, if any, will be absorbed by the Manager.

(b) Recognition of income

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2 Significant accounting policies (continued)

(c) Investments

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

(i) Initial recognition

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

(ii) Subsequent measurement

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

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

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

(e) Foreign currency translation

(i) Functional and presentation currency

The performance of the Sub-Fund is measured and reported to the investors in the Singapore Dollar. The Manager considers the Singapore Dollar as the currency of the primary economic environment in which the Sub-Fund operates. The financial statements are presented in the Singapore Dollar, which is the Sub-Fund's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2 Significant accounting policies (continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances

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

(f) Receivables

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

(g) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(i) Payables

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

(j) Expenses charged to the Sub-Fund

All direct expenses relating to the Sub-Fund are charged directly to the Statement of Total Return against the values of the Sub-Fund. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to the Sub-Fund based on the Sub-Fund's net asset value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2 Significant accounting policies (continued)

(k) Management fee rebates

The management fees charged on investments in Investee Funds managed by the Manager are rebated to the Sub-Fund.

(l) Financial derivatives

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

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

(m) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. The amount shall not be treated as part of the property of the Sub-Fund. Distributions are accrued for at the financial year end date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(n) Structured entities

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2 Significant accounting policies (continued)

(n) Structured entities (continued)

The Sub-Fund considers all of its investment in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Sub-Fund invests in Investee Funds whose objectives range from achieving short to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds are managed by related asset managers and the Investee Funds apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Sub-Fund holds redeemable shares in each of its Investee Funds.

The changes in fair value of the Investee Funds are included in the Statement of Total Return within "Net gains/losses on investments".

3 Income tax

The Sub-Fund was granted the status of Designated Unit Trust ("DUT") in Singapore. The Trustee of the Sub-Fund ensures that the Sub-Fund fulfills its reporting obligations under the DUT Scheme.

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

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

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NOTES TO THE FINANCIAL STATEMENTS

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4 Receivables

	GrowthPath 2020	
	2020	2019
	\$	\$
Amounts receivable for creation of units	100	100
Management fee rebate receivable	17,851	18,759
Other receivables	9,596	17,161
	<u>27,547</u>	<u>36,020</u>

5 Payables

	GrowthPath 2020	
	2020	2019
	\$	\$
Amount payable for cancellation of units	43,943	3,162
Amount due to the Manager	23,377	24,496
Amount due to Trustee	2,500	1,274
Other creditors and accrued expenses	35,722	15,375
	<u>105,542</u>	<u>44,307</u>

6 Units in issue

During the financial year ended 30 June 2020 and 2019, the numbers of units issued, redeemed and outstanding were as follows:

	GrowthPath 2020	
	2020	2019
Units at the beginning of the financial year	4,842,479	5,400,680
Units created	89,443	48,554
Units cancelled	(519,631)	(606,755)
Units at the end of the financial year	<u>4,412,291</u>	<u>4,842,479</u>
	\$	\$
Net assets attributable to unitholders	9,024,547	9,241,271
Net assets value per unit	2.045	1.908

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

6 Units in issue (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date is prepared below:

	GrowthPath 2020	
	2020	2019
	\$	\$
Net assets attributable to unitholders per financial statements per unit	2.045	1.908
Effect of provision for liquidation cost	0.003	-
Net assets attributable to unitholders for issuing/redeeming per unit	2.048	1.908

7 Financial risk management

The Sub-Fund's activities expose it to a variety of market risk (including foreign exchange risk, price risk and interest rate risk), liquidity risk and credit risk. The Sub-Fund's overall risk management programme seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The Sub-Fund may use financial futures contracts, financial options contracts and/or foreign currency contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Fund at any time as part of the overall financial risk management to reduce the Sub-Fund's risk exposures.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Sub-Fund's investments are substantially dependent on changes in market prices and are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Sub-Fund. Guidelines are set to reduce the Sub-Fund's risk exposures to market volatility such as diversifying the portfolio by investing in Investee Funds with a diversified portfolio of investments. Alternatively, the Sub-Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

The Sub-Fund has monetary financial assets and liabilities denominated in currencies other than the Singapore Dollar and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

GrowthPath 2020

As at 30 June 2020

	SGD \$	USD \$	GBP \$	Total \$
Assets				
Portfolio of investments	9,011,923	-	-	9,011,923
Sales awaiting settlement	55,093	-	-	55,093
Receivables	27,547	-	-	27,547
Cash and bank balances	31,918	249	3,359	35,526
Total Assets	<u>9,126,481</u>	<u>249</u>	<u>3,359</u>	<u>9,130,089</u>
Liabilities				
Payables	105,542	-	-	105,542
Total Liabilities	<u>105,542</u>	<u>-</u>	<u>-</u>	<u>105,542</u>
 Net currency exposure	 <u>9,020,939</u>	 <u>249</u>	 <u>3,359</u>	

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

GrowthPath 2020

As at 30 June 2019

	SGD	USD	GBP	EUR	Total
	\$	\$	\$	\$	\$
Assets					
Portfolio of investments	9,171,208	-	-	-	9,171,208
Receivables	36,020	-	-	-	36,020
Cash and bank balances	<u>73,278</u>	<u>241</u>	<u>3,356</u>	<u>1,475</u>	<u>78,350</u>
Total Assets	<u>9,280,506</u>	<u>241</u>	<u>3,356</u>	<u>1,475</u>	<u>9,285,578</u>
Liabilities					
Payables	<u>44,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,307</u>
Total Liabilities	<u>44,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,307</u>
Net currency exposure	<u>9,236,199</u>	<u>241</u>	<u>3,356</u>	<u>1,475</u>	

Investments, which is the significant item in the Statement of Financial Position, is exposed to foreign exchange risk and other price risk. Other price risk sensitivity analysis includes the impact of foreign exchange risk on non-monetary investments. The Sub-Fund's net financial assets comprise significantly of non-monetary investments, hence foreign exchange risk sensitivity analysis has not been presented on the remaining financial assets.

(ii) Price risk

During the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. As a result of the COVID-19 outbreak, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Sub-Fund. The Manager is closely monitoring the development of the COVID-19 outbreak and its related impact.

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The table below summarises the impact of increases/decreases from the Sub-Fund's investments in Investee Funds on the Sub-Fund's net assets attributable to unitholders at 30 June 2020 and 2019. The analysis is based on the assumption that the index components within the benchmark and the prices of the Investee Funds increased/decreased by a reasonable possible shift, with all other variables held constant and that the prices of the Investee Funds moved according to the historical correlation with the index.

Benchmark component	2020		2019	
	Volatility	Net impact to net assets attributable to unitholders	Volatility	Net impact to net assets attributable to unitholders
	%	\$	%	\$
GrowthPath 2020				
MSCI Singapore NR (Benchmark of United Singapore Growth Fund)	20	55,348	20	87,978
TR/SGX SFI Government Bond Index (Benchmark of United Singapore Bond Fund)	20	268,906	20	247,978
MSCI AC Asia ex Japan (Benchmark of United Asia Fund)	20	1,927	20	18,656
Barclays Global Aggregate Corporate Benchmark Index (Benchmark of United High Grade Corporate Bond Fund)	20	1,033,446	20	1,052,837
MSCI AC World (Benchmark of United International Growth Fund)	20	385,221	20	365,028

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of the interest rate risk. The Sub-Fund's overall market positions are monitored frequently and are reviewed formally on a quarterly basis by the Manager.

Investee Funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. However, the effects of changes in interest rates on the Sub-Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect. Changes in interest rate may also have an impact on the value of investment portfolios that consist of fixed income components within the Investee Funds. The impact of a change in interest rates on the net attributable to unitholders is analysed in Note 7 (a)(ii), where such a change has an impact on the past historical movement in the benchmark indices used in the price risk sensitivity analysis.

Hence, no separate interest rate risk sensitivity analysis is presented.

Other than cash and bank balances which are at short term market interest rate and therefore subjected to insignificant interest rate risk, the Sub-Fund's financial assets and liabilities are largely non-interest bearing.

(b) Liquidity risk

The Sub-Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Fund maintains sufficient cash and cash equivalents and that they are able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Sub-Fund's investments in Investee Funds are considered to be readily realisable as the net asset values of each Investee Fund are struck daily, and units are redeemable on demand at the published price.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	GrowthPath 2020		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2020			
Payables	105,542	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 30 June 2019			
Payables	44,307	-	-

(c) Credit risk

The Sub-Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Sub-Fund's credit risk is concentrated on cash and bank balances, and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that are regularly assessed and updated by the Manager.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(c) Credit risk (continued)

The table below summarises the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 30 June 2020 and 2019.

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

GrowthPath 2020

	Credit rating as at 30 June 2020	Credit rating as at 30 June 2019
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-

The custodian of the Investee Funds is also State Street Bank and Trust Company, with credit ratings disclosed in the table above.

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

(d) Capital management

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

(e) Fair value estimation

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7 Financial risk management (continued)

(e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy, the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2020 and 2019:

	GrowthPath 2020			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2020				
Assets				
Portfolio of investments				
- Quoted unit trusts	<u>9,011,923</u>	<u>-</u>	<u>-</u>	<u>9,011,923</u>
Total	<u>9,011,923</u>	<u>-</u>	<u>-</u>	<u>9,011,923</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2019				
Assets				
Portfolio of investments				
- Quoted unit trusts	<u>9,171,208</u>	<u>-</u>	<u>-</u>	<u>9,171,208</u>
Total	<u>9,171,208</u>	<u>-</u>	<u>-</u>	<u>9,171,208</u>

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

Except for cash and bank balances which are classified as Level 1, the Sub-Fund's assets and liabilities not measured at fair value at 30 June 2020 and 2019 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the financial year end date.

8 Structured entities

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

8 Structured entities (continued)

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

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

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

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

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

9 Related party transactions

(a) The Manager and the Trustee of the Sub-Fund are UOB Asset Management Ltd and State Street Trust (SG) Limited respectively. The Manager is a subsidiary of United Overseas Bank Limited while the Trustee is a subsidiary of State Street Bank and Trust Company.

Management fee and valuation fee are paid to the Manager for the financial year. Management fee rebates are received from the Manager in respect of Investee Funds that are managed by the Manager. Trustee fee is paid to the Trustee while registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch.

These fees paid or payable by the Sub-Fund shown in the Statement of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

GrowthPath Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9 Related party transactions (continued)

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

	GrowthPath 2020	
	2020	2019
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	35,526	78,350

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

	GrowthPath 2020	
	2020	2019
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	1	2
United Overseas Bank Limited		
Bank charges	768	942

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For the financial year ended 30 June 2020

10 Financial ratios

	GrowthPath 2020	
	2020	2019
	\$	\$
Total operating expenses	100,589	70,722
Average daily net asset value	9,229,113	9,257,255
Weighted average of the Investee Funds' expense ratio	1.16%	1.08%
Expense ratio ¹	2.25%	1.84%
Lower of total value of purchases or sales	84,507	363,243
Average daily net assets value	9,229,113	9,257,255
Turnover ratio ²	0.92%	3.92%

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). This is the sum of the Sub-Fund's expense ratio and the weighted average of the Investee Funds' unaudited expense ratios. The unaudited expense ratios of the Investee Funds' are obtained from Investee Funds' manager. The calculation of the Sub-Fund's expense ratio at financial year end was based on total operating expenses divided by the average net asset value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value.

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