

United Global Resources Fund

Annual Report

for the financial year ended
31 December 2022



Right By You

United Global Resources 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

SUB-MANAGER

Ninety One Singapore Pte. Limited
138 Market Street Capita Green
#27-02
Singapore 048946

United Global Resources 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 29 May 2006 Ann Comp Ret
United Global Resources Fund	11.36	12.71	21.06	16.67	9.62	0.83	0.47
Benchmark	12.11	9.53	7.78	10.73	6.73	8.11	7.27

Source: Morningstar.

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

The benchmark of the Fund: Since Inception – 30 Sep 16: Absolute return benchmark of 6% per annum; 1 Oct 2016 - Current: composite index of 30% MSCI AC World Materials, 35% MSCI AC World Metals & Mining and 35% MSCI AC World Energy.

For the 12 months ended 31 December 2022, the Fund **returned 21.06%**, outperforming the weighted benchmark return of 7.78%, in Singapore Dollar terms. The benchmark comprises: 30% MSCI ACWI Material Sector Index; 35% MSCI ACWI Metal & Mining Sector Index; and 35% MSCI ACWI Energy Sector Index. The outperformance was primarily driven by stock selection, which was most positive in agriculture and energy. It was also positive in precious metals, but negative in base metals & bulks.

At the sector level, exposure to producers of fertilisers made a significant contribution to relative returns, with *overweights* in **OCI NV** and **K&S AG** both among the top five stock-level contributors during the year. Fertiliser prices were already high as 2022 began, with soaring fossil fuel costs causing some producers to reduce output, leading to a supply squeeze. **Russia's** invasion of **Ukraine** put further upward pressure on energy costs and also disrupted the supply of key fertiliser inputs, sending fertiliser prices higher still. Other contributors included an *overweight* in **Valero Energy Corp**, a US-based maker of transport fuels and other petrochemical products, which benefitted from very strong refining margins. Finally, an *overweight* in Norwegian energy company **Equinor ASA** contributed positively, as European natural gas prices rose sharply following the European decision to boycott Russian gas supply.

The primary detractors from relative returns included a zero weight and an *underweight*, respectively, in **US** oil majors **Chevron** and **Exxon Mobil Corp**. These traditional energy companies had a strong year amid high oil & gas prices for much of the 12 months. From a longer-term perspective, however, we continue to favour the **European** majors, which are significantly cheaper and are making more progress towards the transition to a low-carbon economy. Other detractors included an *overweight* in steelmaker **ArcelorMittal SA**. Its shares were weighed down for much of the year by concern over the global economic outlook, and particularly by the prospects of a slowdown in activity in **China**. Although its shares recovered well in Q4 as the macro picture brightened and as **China** eased COVID restrictions, this holding detracted from relative returns in the full period. Other detractors included an *overweight* in **Novatek PJSC**, **Russia's** second-largest natural gas producer; although this was a relatively small position, it weighed on relative returns given the company's significant share price decline following **Russia's** invasion of **Ukraine**.

A) Fund Performance (continued)

Economic and Market Review

Commodities and natural resources equities were one of the few asset classes to post consistent gains in 2022, with energy and agriculture stocks performing particularly well as a result of the supply disruption caused by **Russia's** invasion of **Ukraine**. Mining stocks, although still positive, lagged their energy counterparts given their sensitivity to **China**.

Over the full year, the price of a barrel of Brent crude gained 10.5%, finishing the year at just under US\$86. Having spiked early in 2022 following **Russia's** invasion of **Ukraine**, oil gradually gave up some of these gains from about mid-year onwards, but it still finished in positive territory over the full period. Despite a decline of more than 35% in the final month of 2022 due to improved storage levels and mild weather (at least until late in the year in the **US**), **US** natural gas prices rose by almost 20% in 2022 overall.

The price of gold ended 2022 at about US\$1,824 per Troy ounce. Hawkish shifts by the US Federal Reserve and other central banks as they struggled to rein in inflation, combined with a stronger US Dollar, put downward pressure on gold for much of 2022. This weighed on the shares of gold producers, which were also impacted by a margin squeeze as costs rose, and by continuing disruptions linked to COVID. However, there was a significant shift in sentiment in the gold market in November after data showed **US** inflation was cooling more quickly than expected, tempering rate-hike forecasts and sending the US Dollar lower. By the end of December, the gold price was back to just 0.3% below its level at the start of January.

Industrial metals rallied in the final quarter of 2022 on **China** reopening hopes, with iron ore up 16.8% for example, and aluminium up 10.0%. But that was not enough to cancel out downward pressure on prices for much of the period as the macro outlook deteriorated. Over the full year, there were declines for copper (-13.9%; its first annual decline since 2018), aluminium (-15.3%) and zinc (-15.9%). In contrast, iron ore was not much changed (-2.1%) despite significant swings during the 12 months.

Agricultural commodities were mixed. As noted above, the prices of fertilisers and fertiliser inputs were strong for much of the year, as a consequence of high energy prices and disruption to the supply of potash and other key materials following the outbreak of war in eastern Europe. Corn and wheat prices both spiked in Q1, given that **Ukraine** and **Russia** are major exporters of both crops, but the feared shortage of grains did not materialise. Corn prices ended the year about 14% higher than at the start of January, while wheat was up only about 3% over the 12 months, having fallen sharply late in the year on the prospect of bumper harvests.

A) Fund Performance (continued)

Outlook and Fund Strategy

Energy commodity prices fell in Q4 as concerns over supply shortages for oil and natural gas were overtaken by deteriorating sentiment around short- to medium-term demand trends. Looming fears about a Western-world recession, combined with mixed data on **China** reopening, trumped the EU's ban on Russian seaborne crude and the G7 price cap to bring Brent oil prices down to US\$75 per barrel by mid-December, before a late rally to end the year at US\$86. This represents quite a sell-off from the US\$128 per barrel level in the immediate aftermath of the invasion of **Ukraine**, but still leaves the full-year average at US\$99, up from US\$71 in 2021. Natural gas prices on both sides of the Atlantic fell considerably. In Europe, mild winter weather and substantial demand rationalisation brought natural gas prices from €189 down to €76; the August high was above €300. Henry Hub natural gas in the **US** dropped from US\$6.75 to US\$4.50, also on demand weakness as it became apparent that the **Freeport LNG** facility, which exports **US** natural gas, would be offline for longer than originally expected after a fire in June. However, while recessionary fears are well-founded and near-term **China** COVID data looks alarming, from current price levels we are constructive on oil and natural gas prices.

Continued supply disruption at many mines and the abrupt reopening of **China** have changed the metals outlook dramatically in the past two months. This is best illustrated by iron-ore prices, which bottomed at around US\$80/tonne in late October having almost halved from US\$157/tonne in April, only to rebound to US\$125/tonne at the time of writing. Iron ore is most closely tied to the Chinese economy, as **China** is its major consumer. But copper also has reacted, with prices moving from US\$7,170/tonne in July to US\$9,151/tonne today. While **China's** COVID-policy volte-face is the primary reason, we must not forget supply, with both iron ore and copper seeing major disruptions last year and into this year. In Q4, as much as 0.5Mt (approx. 2%) of global copper mine supply for 2023 was removed due to delays and lower guidance. In iron ore, continued production problems at Vale and cyclone season in **Australia** are keeping supply tight as **China** restocks ahead of New Year and in anticipation of more construction as COVID restrictions ease. Of course, with market sentiment shifting so fast, concerns increase of the market overshooting to the upside. We think it is too early to call an end to this rally in metals as we move past Chinese New Year and into the seasonally strong spring demand period in the northern hemisphere. We are more cautious about the second half as there is a risk of demand falling in the **US** and **Europe**, just as supply could start to increase. However, if **China's** pick-up is stronger than anticipated, this could easily overwhelm any Western weakness.

The world seems to have avoided a grains shortage in 2022, following the initial fears around losing Ukrainian production of wheat, corn and oilseed crops. Wheat production in other countries such **Australia**, **Argentina** and **Canada** exceeded initial expectations. **Russia** also surprised to the upside, although cynics reckon some of that volume originated from silos in the war zone. In summary, though, wheat inventories did not draw by much more than a few percentage points globally. Saying that, corn and soybean prices remain at higher levels vs. a year ago after the **US** harvest disappointed somewhat and Chinese import demand proved strong. In aggregate, we still expect robust demand for agricultural inputs in 2023 as farmers aim to increase output by raising planted area and applying full dosages of crop protection and fertiliser products to maximise yields. Affordability has improved, with nitrogen, potash and phosphate prices having come down late last year. The stocking cycle should start in early February before application season kicks off from late March/early April onwards.

A) Fund Performance (continued)

Looking forward into 2023, we are constructive on gold prices. Inflation is likely to moderate, leading to the Fed slowing and even reversing rate increases. This could lead to a weaker US Dollar, therefore helping gold prices to hold current levels or even rise. Added support comes from central bank buying: 2022 saw central banks purchase gold at the fastest pace since 1967. We see this as a desire by central banks to diversify away from the US Dollar and/or US treasuries, in particular by **China** as American sentiment has worsened towards them. At current levels, gold-mining stocks look attractive on both valuation and fundamental grounds. We have seen gold miners caught in an unprecedented margin squeeze, which saw gold equities meaningfully underperform physical gold in 2022. However, firstly, they have been able to withstand these pressures far better than five years ago, given the improved quality of their balance sheets; and secondly, we believe these headwinds are starting to come to an end. We retain conviction in our view that, the future being inherently uncertain, gold and gold equities remain a valuable hedge over the long term, with the latter paying an increasingly attractive income.

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

i) Country

	Fair Value (S\$)	% of NAV
Australia	1,820,456	15.82
Brazil	60,791	0.53
Canada	1,379,567	11.99
China	314,163	2.73
Denmark	246,840	2.14
France	1,037,520	9.01
Germany	223,698	1.94
Luxembourg	393,597	3.42
Netherlands	240,717	2.09
Norway	662,230	5.75
Spain	86,330	0.75
Sweden	323,327	2.81
United Kingdom	1,414,280	12.29
United States	3,017,225	26.22
Portfolio of investments	11,220,741	97.49
Other net assets/(liabilities)	288,474	2.51
Total	11,509,215	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Consumer Staples	223,410	1.94
Energy	4,430,933	38.50
Health Care	154,246	1.34
Industrials	755,918	6.57
Information Technology	71,265	0.62
Materials	5,346,092	46.45
Utilities	238,877	2.07
Portfolio of investments	11,220,741	97.49
Other net assets/(liabilities)	288,474	2.51
Total	11,509,215	100.00

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

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	11,220,741	97.49
Other net assets/(liabilities)	288,474	2.51
Total	11,509,215	100.00

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BHP GROUP LTD (BHP AU)	850,087	7.39
TOTALENERGIES SE	783,098	6.80
EXXON MOBIL CORP	630,644	5.48
DEERE & CO	584,254	5.08
SHELL PLC	553,284	4.81
BP PLC	533,576	4.64
GLENORE PLC	504,172	4.38
NUTRIEN LTD	466,045	4.05
CONOCOPHILLIPS	389,640	3.38
TECK RESOURCES LTD - CLASS B	352,837	3.07

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C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
TOTALENERGIES SE	559,084	6.08
ROYAL DUTCH SHELL PLC - B SHARES	532,007	5.78
ARCELORMITTAL SA	530,222	5.76
GLENCORE PLC	488,874	5.31
BP PLC	434,467	4.72
NUTRIEN LTD	382,065	4.15
K&S AG	362,615	3.94
CONOCOPHILLIPS	338,248	3.68
VALE SA - SPONSORED ADR	282,892	3.07
SSAB AB - A SHARES	278,873	3.03

D) Exposure to derivatives

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

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

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

N/A

- ii) There was a net realised loss of SGD 86,984 on derivative contracts during the financial year ended 31 December 2022.

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

N/A

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

N/A

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

N/A

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

Total amount of redemptions	SGD	39,688,335
Total amount of subscriptions	SGD	42,703,102

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

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

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 31 December 2022 and 31 December 2021

N/A

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

N/A

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 31 December 2022 and 31 December 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.

The Sub-Manager (Ninety One Singapore Pte. Limited) and the Sub-Investment Manager (Ninety One UK Limited) do not receive or intend to receive soft dollars in respect of the sub-management of the Fund.

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

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of United Global Resources Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 16 to 45, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory
24 March 2023

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

STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 16 to 45, 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 United Global Resources Fund (the "Fund") as at 31 December 2022, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the 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
24 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL RESOURCES FUND

Our Opinion

In our opinion, the accompanying financial statements of United Global Resources Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; and
- the Notes to the Financial Statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

We are independent of the 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.

Other Information

The 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL RESOURCES FUND

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

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

Responsibilities of the Manager for the Financial Statements

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

In preparing the financial statements, the Manager is responsible for assessing the 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 Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL RESOURCES FUND

- 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 the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

United Global Resources Fund
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STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Income			
Dividends		791,082	291,273
Interest		1,496	-
Other income		26	-
Total		<u>792,604</u>	<u>291,273</u>
Less: Expenses			
Management fee	9	330,338	143,985
Trustee fee	9	8,096	5,004
Audit fee		14,715	14,707
Registrar fee	9	20,810	15,041
Valuation fee	9	27,528	11,999
Custody fee	9	62,372	49,524
Transaction costs		67,739	17,029
Other expenses		75,485	26,818
Total		<u>607,083</u>	<u>284,107</u>
Net income/(losses)		<u>185,521</u>	<u>7,166</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(695,261)	2,451,893
Net gains/(losses) on financial derivatives		(86,984)	(3,802)
Net foreign exchange gains/(losses)		53,993	3,533
		<u>(728,252)</u>	<u>2,451,624</u>
Total return/(deficit) for the financial year before income tax		<u>(542,731)</u>	<u>2,458,790</u>
Less: Income tax	3	<u>(161,006)</u>	<u>(46,147)</u>
Total return/(deficit) for the financial year		<u>(703,737)</u>	<u>2,412,643</u>

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

United Global Resources Fund
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STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Portfolio of investments		11,220,741	9,084,796
Sales awaiting settlement		-	81,631
Receivables	4	34,567	26,870
Cash and bank balances		374,908	126,685
Financial derivatives at fair value	6	-	57
Total assets		<u>11,630,216</u>	<u>9,320,039</u>
Liabilities			
Payables	5	121,001	121,405
Financial derivatives at fair value	6	-	449
Total liabilities		<u>121,001</u>	<u>121,854</u>
Equity			
Net assets attributable to unitholders	7	<u>11,509,215</u>	<u>9,198,185</u>

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

United Global Resources Fund
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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Net assets attributable to unitholders at the beginning of the financial year		9,198,185	9,033,611
Operations			
Change in net assets attributable to unitholders resulting from operations		(703,737)	2,412,643
Unitholders' contributions/(withdrawals)			
Creation of units		42,703,102	2,448,521
Cancellation of units		(39,688,335)	(4,696,590)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		3,014,767	(2,248,069)
Total increase/(decrease) in net assets attributable to unitholders		<u>2,311,030</u>	<u>164,574</u>
Net assets attributable to unitholders at the end of the financial year	7	<u>11,509,215</u>	<u>9,198,185</u>

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

United Global Resources Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary			
Quoted equities			
AUSTRALIA			
BHP GROUP LTD (BHP AU)	20,483	850,087	7.39
CHAMPION IRON LTD	26,417	176,505	1.53
GLENCORE PLC	56,572	504,172	4.38
JERVOIS GLOBAL LTD	124,756	31,204	0.27
NEWCREST MINING LTD (NCM AU)	7,227	135,671	1.18
NORTHERN STAR RESOURCES LTD	12,377	<u>122,817</u>	<u>1.07</u>
TOTAL AUSTRALIA		<u>1,820,456</u>	<u>15.82</u>
BRAZIL			
BRF SA - ADR	28,687	60,791	0.53
CANADA			
AGNICO EAGLE MINES LTD	1,704	118,677	1.03
BARRICK GOLD CORP	6,977	160,763	1.40
ERO COPPER CORP	8,504	156,906	1.36
LUNDIN MINING CORP	15,116	124,339	1.08
NUTRIEN LTD	4,763	466,045	4.05
TECK RESOURCES LTD - CLASS B	6,956	<u>352,837</u>	<u>3.07</u>
TOTAL CANADA		<u>1,379,567</u>	<u>11.99</u>
CHINA			
SUNGROW POWER SUPPLY CO LTD	3,338	72,000	0.63
XINYI SOLAR HOLDINGS LTD	48,000	71,265	0.62

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
CHINA (continued)			
ZIJIN MINING GROUP CO LTD - H	94,000	<u>170,898</u>	<u>1.48</u>
TOTAL CHINA		<u>314,163</u>	<u>2.73</u>
DENMARK			
NOVOZYMES A/S - B SHARES	1,048	70,986	0.62
ORSTED A/S	627	76,190	0.66
VESTAS WIND SYSTEMS A/S	2,562	<u>99,664</u>	<u>0.86</u>
TOTAL DENMARK		<u>246,840</u>	<u>2.14</u>
FRANCE			
GAZTRANSPORT ET TECHNIGAZ SA	1,781	254,422	2.21
TOTALENERGIES SE	9,328	<u>783,098</u>	<u>6.80</u>
TOTAL FRANCE		<u>1,037,520</u>	<u>9.01</u>
GERMANY			
K&S AG-REG	8,505	223,698	1.94
LUXEMBOURG			
ARCELORMITTAL SA	7,852	276,206	2.40
TENARIS SA	5,036	<u>117,391</u>	<u>1.02</u>
TOTAL LUXEMBOURG		<u>393,597</u>	<u>3.42</u>

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United Global Resources Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
NETHERLANDS			
OCI NV	5,032	240,717	2.09
NORWAY			
EQUINOR ASA	4,800	229,906	2.00
NORSK HYDRO ASA	27,018	269,705	2.34
SALMAR ASA	3,104	<u>162,619</u>	<u>1.41</u>
TOTAL NORWAY		<u>662,230</u>	<u>5.75</u>
RUSSIA			
NOVATEK PJSC	3,960	-	-
SPAIN			
IBERDROLA SA	5,518	86,330	0.75
SWEDEN			
BOLIDEN AB	2,679	134,919	1.17
SSAB AB - A SHARES	25,706	<u>188,408</u>	<u>1.64</u>
TOTAL SWEDEN		<u>323,327</u>	<u>2.81</u>
UNITED KINGDOM			
BP PLC	69,642	533,576	4.64
CRODA INTERNATIONAL PLC	735	78,310	0.68
ENDEAVOUR MINING PLC	3,307	94,864	0.82
GENUS PLC	3,204	154,246	1.34

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United Global Resources Fund
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STATEMENT OF PORTFOLIO

As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted equities			
UNITED KINGDOM (continued)			
SHELL PLC	14,744	553,284	4.81
TOTAL UNITED KINGDOM		1,414,280	12.29
UNITED STATES			
ALCOA CORP	2,867	174,842	1.52
CLEVELAND CLIFFS INC	5,464	118,059	1.03
CONOCOPHILLIPS	2,462	389,640	3.38
CORTEVA INC	1,325	104,457	0.91
DEERE & CO	1,016	584,254	5.08
EXXON MOBIL CORP	4,263	630,644	5.48
HESS CORP	923	175,563	1.52
MARATHON PETROLEUM CORP	1,393	217,451	1.89
NEXTERA ENERGY INC	681	76,357	0.66
PHILLIPS 66	2,290	319,666	2.78
VALERO ENERGY CORP	1,330	226,292	1.97
TOTAL UNITED STATES		3,017,225	26.22
Total Equities		11,220,741	97.49
Portfolio of investments		11,220,741	97.49
Other net assets/(liabilities)		288,474	2.51
Net assets attributable to unitholders		11,509,215	100.00

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (Summary)		
Quoted equities		
Australia	15.82	9.13
Austria	-	0.90
Brazil	0.53	3.07
Canada	11.99	10.42
China	2.73	0.37
Denmark	2.14	0.58
France	9.01	7.53
Germany	1.94	4.13
Ireland	-	0.23
Italy	-	0.21
Japan	-	0.04
Luxembourg	3.42	8.81
Netherlands	2.09	2.29
Norway	5.75	6.88
Portugal	-	1.60
Russia	-	1.50
Spain	0.75	1.27
Sweden	2.81	5.58
Switzerland	-	0.20
United Kingdom	12.29	14.60
United States	26.22	19.43
Portfolio of investments	97.49	98.77
Other net assets/(liabilities)	2.51	1.23
Net assets attributable to unitholders	100.00	100.00

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

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Industry - Secondary Quoted equities			
Consumer Discretionary	-	-	0.21
Consumer Staples	223,410	1.94	4.03
Energy	4,430,933	38.50	38.12
Health Care	154,246	1.34	-
Industrials	755,918	6.57	1.25
Information Technology	71,265	0.62	1.24
Materials	5,346,092	46.45	52.99
Utilities	<u>238,877</u>	<u>2.07</u>	<u>0.93</u>
Portfolio of investments	11,220,741	97.49	98.77
Other net assets/(liabilities)	<u>288,474</u>	<u>2.51</u>	<u>1.23</u>
Net assets attributable to unitholders	<u>11,509,215</u>	<u>100.00</u>	<u>100.00</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1 General

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

The investment objective of the Fund is to achieve long term capital growth by investing in securities (equities or equity-related securities) issued by companies in the resources, commodities and energy sectors globally.

The following classes of Units have been established, and existing Units in the Fund were designated as Class A SGD Acc Units:

- Class A SGD Acc
- Class A SGD Acc (Hedged)
- Class A USD Acc

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

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

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

As at 31 December 2022, the Fund has only issued Class A SGD Acc units.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies

(a) Basis of preparation

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

(b) Recognition of income

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

(c) Investments

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

(i) Initial recognition

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the financial year end date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

(e) Foreign currency translation

(i) Functional and presentation currency

The performance of the 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 Fund operates. The financial statements are presented in the Singapore Dollar, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

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

(f) Receivables

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

(g) Sales and purchases awaiting settlement

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

(h) Cash and bank balances

Cash and bank balances comprise cash at banks which are subject to an insignificant risk of changes in value.

(i) Payables

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

(j) Financial derivatives

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

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

(k) Distributions

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

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

3 Income tax

	2022	2021
	\$	\$
Overseas income tax	161,006	46,147

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 Income tax (continued)

The Trustee of the Fund has assessed and is satisfied that the Fund has met the requisite conditions under the Designated Unit Trust (“DUT”) Scheme for the current financial year. The Trustee of the Fund will ensure that the 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 1947. Such income includes:

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

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

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

As at 31 December 2022 and 2021, the Fund has uncertain taxes exposure with respect to gains on investment of which the tax liability is estimated to be insignificant. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4 Receivables

	2022	2021
	\$	\$
Amounts receivable for creation of units	5,145	3,404
Dividends receivable	7,025	5,534
Other receivables	<u>22,397</u>	<u>17,932</u>
	<u>34,567</u>	<u>26,870</u>

5 Payables

	2022	2021
	\$	\$
Amounts payable for cancellation of units	9,685	33,639
Amount due to the Manager	51,513	38,219
Amount due to Trustee	1,274	1,260
Tax payables	1,963	1,484
Other creditors and accrued expenses	<u>56,566</u>	<u>46,803</u>
	<u>121,001</u>	<u>121,405</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6 Financial derivatives at fair value

Financial derivatives contracts comprise of foreign currency contracts for the sale and purchase of foreign currencies. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at the financial year end date are analysed below.

		2021	
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	109,452	57	449

There were no outstanding financial derivatives as at 31 December 2022.

7 Units in issue

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

	2022	2021
Units at the beginning of the financial year	10,814,841	13,711,557
Units created	41,360,822	3,046,693
Units cancelled	(40,995,153)	(5,943,409)
Units at the end of the financial year*	11,180,510	10,814,841
*Included above are units denominated in USD	2,193,782	3,342,067
	\$	\$
Net assets attributable to unitholders	11,509,215	9,198,185
Net assets value per unit	1.029	0.850

There is no difference between the net assets attributable to unitholders per unit per financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management

The 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 Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The 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 Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

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

(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 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 Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies and industries, alternatively, the Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

The 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 Fund.

United Global Resources Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2022

	SGD	USD	CAD	EUR	GBP	AUD	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	-	3,591,616	1,137,336	1,981,861	1,823,589	1,139,779	1,546,560	11,220,741
Receivables	27,542	7,025	-	-	-	-	-	34,567
Cash and bank balances	162,864	137,363	16,623	10,600	1,445	16,989	29,024	374,908
Total Assets	<u>190,406</u>	<u>3,736,004</u>	<u>1,153,959</u>	<u>1,992,461</u>	<u>1,825,034</u>	<u>1,156,768</u>	<u>1,575,584</u>	<u>11,630,216</u>
Liabilities								
Payables	115,870	5,131	-	-	-	-	-	121,001
Total Liabilities	<u>115,870</u>	<u>5,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,001</u>
Net currency exposure	<u>74,536</u>	<u>3,730,873</u>	<u>1,153,959</u>	<u>1,992,461</u>	<u>1,825,034</u>	<u>1,156,768</u>	<u>1,575,584</u>	

United Global Resources Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2021

	SGD	USD	CAD	EUR	GBP	AUD	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	-	2,481,274	808,419	2,458,936	1,748,124	350,701	1,237,342	9,084,796
Sales awaiting settlement	-	2,160	-	32,637	26,176	2,260	18,398	81,631
Receivables	21,336	5,475	-	-	-	-	59	26,870
Cash and bank balances	29,133	78,375	756	13,218	318	299	4,586	126,685
Total Assets	<u>50,469</u>	<u>2,567,284</u>	<u>809,175</u>	<u>2,504,791</u>	<u>1,774,618</u>	<u>353,260</u>	<u>1,260,385</u>	<u>9,319,982</u>
Liabilities								
Payables	119,921	1,475	-	-	-	-	9	121,405
Total Liabilities	<u>119,921</u>	<u>1,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>121,405</u>
Net Assets	(69,452)	2,565,809	809,175	2,504,791	1,774,618	353,260	1,260,376	
Foreign currency contracts (notional value)	20,000	69,452	-	(44,292)	(25,464)	-	(19,696)	
Net currency exposure	<u>(49,452)</u>	<u>2,635,261</u>	<u>809,175</u>	<u>2,460,499</u>	<u>1,749,154</u>	<u>353,260</u>	<u>1,240,680</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 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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

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

Benchmark component	Volatility %	2022	Volatility %	2021
		Net impact to net assets attributable to unitholders \$		Net impact to net assets attributable to unitholders \$
30% MSCI AC World Materials, 35% MSCI AC World Metals & Mining and 35% MSCI AC World Energy	25	2,824,551	20	1,799,537

(iii) Interest rate risk

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

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly. However, the effects of changes in interest rates in the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect.

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

Hence, no sensitivity analysis has been presented separately.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(b) Liquidity risk

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

The Fund's investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would typically be expected for traditional investment instruments.

The tables below analyse the 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.

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2022			
Payables	121,001	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2021			
Payables	121,405	-	-
Financial derivatives at fair value			
- Foreign currency contracts	449	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(b) Liquidity risk (continued)

The table below analyses the Fund's derivatives financial instruments in a loss position that will be settled on a gross basis into relevant maturity groups based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 31 December 2021			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	78,709	-	-
- outflow	(79,158)	-	-

(c) Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(c) Credit risk (continued)

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2022 and 2021.

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

	Credit rating as at 31 December 2022	Credit rating as at 31 December 2021
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Counterparties of foreign currency contracts		
Australia and New Zealand Banking Group	n/a*	a+
Barclays Bank PLC	n/a*	a
Citibank N.A.	n/a*	a

* *The Fund has no exposure to the counterparties as at 31 December 2022.*

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

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

(d) Capital management

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(e) Fair value estimation

The 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).

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2022				
Assets				
Portfolio of investments				
- Quoted equities	<u>11,220,741</u>	<u>-</u>	<u>-</u>	<u>11,220,741</u>
Total	<u>11,220,741</u>	<u>-</u>	<u>-</u>	<u>11,220,741</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2021				
Assets				
Portfolio of investments				
- Quoted equities	9,084,796	-	-	9,084,796
Financial derivatives at fair value	-	57	-	57
Total	<u>9,084,796</u>	<u>57</u>	<u>-</u>	<u>9,084,853</u>
Liabilities				
Financial derivatives at fair value	-	449	-	449
Total	<u>-</u>	<u>449</u>	<u>-</u>	<u>449</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise of listed equities. The Fund does not adjust the quoted price for these instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(e) Fair value estimation (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include over-the-counter derivatives.

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

Financial instruments that are suspended and not tradable as at year end are classified within Level 3. In 2022, it comprises the shares of Novatek PJSC. The last day of trading of Novatek PJSC was on 7 February 2023 and the trading of the Novatek PJSC units were suspended on and from 3 March 2022. Given the lack of information and prolonged suspension, the Manager has deemed it prudent to write down the fair value of this security to zero value.

The Manager's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the financial year.

The following table presents the transfers between levels in the fair value hierarchy for the year:

	Level 1	2022 Level 2	Level 3
	\$	\$	\$
Transfers between levels 1 and 3			
Quoted equities	(77,967)	-	77,967

Valuation processes

Portfolio reviews are undertaken regularly by the Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being Level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, the Manager performs back testing and considers actual market transactions. Changes in allocation to or from Level 3 are analysed at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(e) Fair value estimation (continued)

The following table presents the movement in Level 3 investments for the financial year:

	2022
	\$
Opening balance	-
Purchases	-
Sales	-
Transfer in/(out) from Level 1 to Level 3	77,967
Gains and losses recognised in Statements of Total Return	(77,967)
Closing balance	-

For these Level 3 investments, quantitative unobservable inputs are not developed by the Manager when measuring fair value. There is no significant unobservable inputs used and thus no quantitative analysis would be presented.

Description	Fair value \$	Valuation technique
As at 31 December 2022		
Quoted equities	-	Impairment

The investment in the above table relates to shares which were suspended from trading. Novatek PJSC continues to be suspended at the date of authorisation of the financial statements. Manager has written down the fair value of these Level 3 investments to zero, having considered the duration of suspension, illiquidity and other specific factors of the investments.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

(f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

Financial assets	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2022						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
31 December 2021						
Derivative financial instruments	57	-	57	(8)	-	49
Total	57	-	57	(8)	-	49

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 Financial risk management (continued)

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

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2022						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
31 December 2021						
Derivative financial instruments	8	-	8	(8)	-	-
Total	8	-	8	(8)	-	-

9 Related party transactions

(a) The Manager and the Trustee of the 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. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Related party transactions (continued)

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

	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	374,908	126,685

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

	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	1,496	-
United Overseas Bank Limited		
Bank charges	8,983	9,265

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10 Financial ratios

	2022	2021
	\$	\$
Total operating expenses	539,344	267,078
Average daily net assets value	<u>22,039,050</u>	<u>9,605,402</u>
Expense ratio ¹	<u>2.45%</u>	<u>2.78%</u>
Lower of total value of purchases or sales	48,031,712	8,255,891
Average daily net assets value	<u>22,039,050</u>	<u>9,605,402</u>
Turnover ratio ²	<u>217.94%</u>	<u>85.95%</u>

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

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

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