



United Gold & General Fund

Annual Report

for the financial year ended
30 June 2022

United Gold & General 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

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Singapore 018936

SUB-MANAGER

Ninety One Singapore Pte. Limited

25 Duxton Hill

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Singapore 089608

United Gold & General Fund

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

A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 28 July 1995 Ann Comp Ret
United Gold & General Fund	-26.79	-13.09	-11.70	5.83	7.65	-0.75	1.71
Benchmark	-26.14	-11.12	-12.56	6.30	8.08	0.01	3.12

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 – Jan 97: 100% FT Gold Mines; Feb 97 – June 01: 75% MSCI Gold Mines, 25% MSCI Metals Non-Ferrous; July 01 – Dec 13: 70% FT Gold, 30% HSBC GM; Jan 14 – Present: 70% FT Gold, 30% Euromoney Global Mining (formerly known as HSBC GM).

For the 12-month period ended 30 June 2022, the Fund **returned -11.70%** versus the -12.56% decline in the composite benchmark index, in Singapore Dollar (SGD) terms. The benchmark comprises 70% FTSE Gold Mines Index and 30% Euromoney Global Mining Index.

The absolute performance of the Fund over the 12 months primarily reflected a decline in gold equities towards the end of the period, as hawkish shifts by the US Federal Reserve and other central banks in response to persistent inflation, combined with a stronger US dollar, put downward pressure on gold. Gold stocks were also impacted by concern over cost increases, as energy and materials prices had risen, and COVID absences, which had affected gold-mine production volumes. Base metals & bulks also sold off towards the end of the period under review, on concern that central bank tightening would cause an economic slowdown.

In terms of relative performance, the Fund outperformed the benchmark due to positive stock selection. The largest contribution came from stock selection in base metals & bulks, though stock selection was also positive in precious metals. Allocation effects were approximately neutral.

At the stock level, the primary contributors to relative returns included an *overweight* in diversified miner **Glencore Plc**, whose shares benefited partly from the company's exposure to the coal sector. The coal price gained strongly in the period as a result of the global energy crunch, and particularly following **Russia's** invasion of **Ukraine**. Other contributors included a zero weight in **Kinross Gold**, whose shares underperformed the benchmark due to the company's exposure to **Russia**. An *underweight* in diversified miner **Vale** also contributed, the underperformance of its shares reflecting a decline in the iron-ore price in the period. An *overweight* in **SSR Mining Inc** also contributed, with the company delivering strong results that underlined its good cashflows and growth potential; as did an *overweight* in **OceanaGold Corp**, which also performed well.

A) Fund Performance (continued)

The main detractors from relative returns included an *underweight* in gold major **Newmont Corp**, its shares outperforming partly because, as gold equities declined towards the latter part of the period under review, investors viewed its diversified asset base as a positive factor amid broader sector concerns. Not holding **BHP Group Ltd** also detracted, with the diversified miner delivering strong earnings during the 12 months amid high prices for many of the commodities it produces. Other detractors included an *overweight* in **Evolution Mining**, whose shares were impacted by the gold-stock sell-off in Q2 2022, after the company cautioned of lower volumes and rising costs, partly due to COVID-related worker absences. We believe the market has overreacted and appears to be pricing in that the cost increases will be permanent, which we do not believe to be the case. Finally, an *overweight* in St Barbara detracted, with its shares weighed down more recently as the market reacted negatively to a plan to delay a final investment decision on the company's Simberi project expansion in **Papua New Guinea**, and on potential delays at a mine in **Canada** relating to obtaining environmental permits. We maintain our positive longer-term view.

Economic and Market Review

The 12 months to end-June 2022 were turbulent in commodity and equity markets. Investor sentiment was variously swayed by persistent inflation at a level not seen for many years; uncertainty over the direction of interest rates and central bank policy; the potential for tight markets in a number of commodities, partly due to **Russia's** invasion of **Ukraine**, and also as a consequence of pandemic-related impacts on supply and demand; the re-imposition and subsequent easing of COVID lockdowns in **China**; and, particularly towards the end of the period, by mounting concern that efforts to rein in price rises would trigger a recession.

The price of gold began the period at about US\$1,763 per Troy ounce, and ended it at approximately US\$1,817. The precious metal saw strong gains in the early part of 2022, with investors seeking perceived havens as tensions increased between **Russia** and **Ukraine**; but it declined as the second quarter of the year progressed on US dollar strength, driven especially by comments from the Chair of the US Federal Reserve that the central bank would do whatever it takes to bring down inflation. The shares of gold-sector companies declined along with the gold price – they typically move in the same direction as the physical metal, but with amplified moves – with additional downward pressure due to investor concern over the impact on miners' profitability of rising energy and other costs, and on production volumes of COVID absences.

The prices of many industrial metals surged from Q3 2021, partly in expectation that high energy prices would lead producers, facing higher costs, to cut output, but also due to an improving outlook for Chinese demand – though expectations regarding the latter were subsequently tempered by COVID lockdowns. They gained again in Q1 2022 as the war in Eastern Europe exacerbated supply concerns in markets that were already tight in many cases. **Russia** is a major supplier of a number of industrial metals. However, many industrial metals saw sharp reversals in the final quarter of the period as markets began to price in a potential recession. Over the full period, copper declined 12%, iron ore fell about 45% and aluminium lost 3%; but nickel gained 25% and zinc rose 6%.

A) Fund Performance (continued)

Outlook and Fund Strategy

Central bank policy is a key driver of the gold price, which is typically amplified by inflation. As a result of the magnitude and persistence of the inflation overshoot, the market is now factoring a more severe central-bank rate-hiking cycle than we have seen to date. That has weighed on gold.

Much of the debate in the market continues to centre on the trajectory of inflation. What we do know is that the path from here is uncertain, and that inflation risks have been compounded by **Russia's** invasion of **Ukraine**. With governments trying to normalise financial conditions and growth prospects diverging internationally, against a backdrop of heightened geopolitical risk, it remains challenging to forecast precisely what issues may arise next. But it seems easier to forecast that there are likely to be issues. In such an environment, and with inflation pressures persisting, gold's appeal could increase once again.

At current levels, gold-mining stocks look attractive on both valuation and fundamental grounds. Even if headwinds for gold persist, gold equities are enjoying their best margins in real terms for nearly 40 years, and recent results showed that with record cashflows for a number of companies. This was enhanced by many companies increasing or initiating dividends as well as buybacks. Dividend yields for the sector have almost doubled versus levels a year ago, despite the share-price rises. We expect gold companies' cash generation to remain strong. The longer-term trend for gold companies to pay dividends and return cash to shareholders remains intact, in our view. 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.

For metals such as aluminium, which has fallen more than 35% from its March highs, production cuts are starting to appear in both **Europe** and the **US**. While this is not true for all metals and the likes of zinc are still trading well above cost support, generally speaking we see the potential for markets to rebalance over the next few months. We still believe that many bulk commodities such as coal, steel and potash will see increased supply disruption as **Russia** will struggle to re-route all its volumes as **Europe** closes off. The extent to which demand declines in anticipation of a recession will of course be key, but we saw a lot of unfilled, post-COVID demand in 2021 and early this year, which could return. **China's** long-awaited stimulus and the end of lockdowns could provide a further demand impetus.

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

i) Country

	Fair Value (S\$)	% of NAV
Australia	31,070,731	27.40
Brazil	2,323,508	2.05
Canada	37,564,522	33.12
China	3,309,919	2.92
Egypt	1,970,604	1.74
Luxembourg	2,709,266	2.39
Norway	1,104,427	0.97
Russia	384,119	0.34
South Africa	7,067,147	6.23
Sweden	1,097,843	0.97
United Kingdom	5,745,584	5.07
United States	16,544,024	14.59
Portfolio of investments	110,891,694	97.79
Other net assets/(liabilities)	2,506,255	2.21
Total	113,397,949	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Industrials	528,834	0.47
Materials	110,362,860	97.32
Portfolio of investments	110,891,694	97.79
Other net assets/(liabilities)	2,506,255	2.21
Total	113,397,949	100.00

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

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	110,891,694	97.79
Other net assets/(liabilities)	2,506,255	2.21
Total	113,397,949	100.00

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 30 June 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
NEWMONT CORP	11,176,888	9.86
AGNICO EAGLE MINES LTD	10,606,628	9.35
BARRICK GOLD CORP	10,570,685	9.32
GLENCORE PLC	9,200,643	8.11
NEWCREST MINING LTD (NCM AU)	8,984,268	7.92
GOLD FIELDS LTD	5,472,833	4.83
SSR MINING INC (SSRM US)	5,323,998	4.69
ENDEAVOUR MINING PLC	5,178,250	4.57
NORTHERN STAR RESOURCES LTD	4,446,537	3.92
OCEANAGOLD CORP	4,106,564	3.62

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C) Top Ten Holdings (continued)

10 largest holdings as at 30 June 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
NEWMONT CORP	14,965,168	9.34
NEWCREST MINING LTD	14,336,966	8.95
KIRKLAND LAKE GOLD LTD	11,164,241	6.96
GLENCORE PLC	8,410,293	5.25
AGNICO EAGLE MINES LTD	7,911,340	4.94
NORTHERN STAR RESOURCES LTD	6,815,214	4.25
BARRICK GOLD CORP	6,656,383	4.15
GOLD FIELDS LTD	6,143,226	3.83
ARCELORMITTAL SA	6,009,241	3.75
SSR MINING INC (SSRM US)	5,829,247	3.64

D) Exposure to derivatives

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

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

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

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Foreign currency contracts	339,954	-	-	6,750	0.01

D) Exposure to derivatives (continued)

- ii) There was a net realised loss of SGD 249,989 on derivative contracts during the financial year ended 30 June 2022.
- iii) There was a net unrealised loss of SGD 6,750 on outstanding derivative contracts marked to market as at 30 June 2022.

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

N/A

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

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2022

Total amount of redemptions	SGD	94,439,213
Total amount of subscriptions	SGD	56,460,719

H) The amount and terms of related-party transactions for the financial year ended 30 June 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 30 June 2022 and 30 June 2021

N/A

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

N/A

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

N/A

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

M) Soft dollar commissions/arrangements

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

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 Gold & General 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 15 to 43, 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 2022

United Gold & General 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 15 to 43, 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 Gold & General Fund (the "Fund") as at 30 June 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
23 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GOLD & GENERAL FUND

Our Opinion

In our opinion, the accompanying financial statements of United Gold & General 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 30 June 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 30 June 2022;
- the Statement of Financial Position as at 30 June 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2022;
- the Statement of Portfolio as at 30 June 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 GOLD & GENERAL 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 GOLD & GENERAL 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, 23 September 2022

United Gold & General Fund
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Dividends		4,087,047	4,535,593
Interest		385	38
Other income		126,630	102
Total		4,214,062	4,535,733
Less: Expenses			
Management fee	9	2,341,773	2,903,968
Trustee fee	9	53,520	66,642
Audit fee		14,840	14,774
Registrar fee	9	195,148	241,997
Custody fee	9	79,439	99,495
Transaction costs		97,759	296,266
Other expenses		118,110	267,497
Total		2,900,589	3,890,639
Net income/(losses)		1,313,473	645,094
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(9,621,283)	(2,217,943)
Net gains/(losses) on financial derivatives		(256,739)	157,675
Net foreign exchange gains/(losses)		243,221	(439,185)
		(9,634,801)	(2,499,453)
Total return/(deficit) for the financial year before income tax		(8,321,328)	(1,854,359)
Less: Income tax	3	(579,591)	(493,451)
Total return/(deficit) for the financial year		(8,900,919)	(2,347,810)

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

United Gold & General Fund
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Portfolio of investments		110,891,694	156,092,528
Receivables	4	188,889	563,995
Cash and bank balances		3,795,929	6,007,907
Financial derivatives at fair value	6	<u>-</u>	<u>753</u>
Total assets		<u>114,876,512</u>	<u>162,665,183</u>
Liabilities			
Purchases awaiting settlement		334,452	1,253,670
Payables	5	1,137,361	1,134,151
Financial derivatives at fair value	6	<u>6,750</u>	<u>-</u>
Total liabilities		<u>1,478,563</u>	<u>2,387,821</u>
Equity			
Net assets attributable to unitholders	7	<u>113,397,949</u>	<u>160,277,362</u>

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United Gold & General Fund
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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2022

	Note	2022 \$	2021 \$
Net assets attributable to unitholders at the beginning of the financial year		160,277,362	169,320,685
Operations			
Change in net assets attributable to unitholders resulting from operations		(8,900,919)	(2,347,810)
Unitholders' contributions/(withdrawals)			
Creation of units		56,460,719	115,644,875
Cancellation of units		(94,439,213)	(122,340,388)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(37,978,494)	(6,695,513)
Total increase/(decrease) in net assets attributable to unitholders		(46,879,413)	(9,043,323)
Net assets attributable to unitholders at the end of the financial year	7	<u>113,397,949</u>	<u>160,277,362</u>

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

United Gold & General Fund

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STATEMENT OF PORTFOLIO

As at 30 June 2022

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Geography - Primary			
Quoted equities			
AUSTRALIA			
CHAMPION IRON LTD	105,734	538,430	0.48
EVOLUTION MINING LTD	1,236,659	2,816,696	2.48
GLENORE PLC	1,223,025	9,200,643	8.11
NEWCREST MINING LTD (NCM AU)	449,398	8,984,268	7.92
NEWCREST MINING LTD (NCM CN)	1,184	23,044	0.02
NORTHERN STAR RESOURCES LTD	679,286	4,446,537	3.92
OZ MINERALS LTD	49,681	844,396	0.75
PERSEUS MINING LTD	1,710,605	2,594,730	2.29
ST BARBARA LTD	1,031,064	740,048	0.65
WESTGOLD RESOURCES LTD	777,691	881,939	0.78
TOTAL AUSTRALIA		31,070,731	27.40
BRAZIL			
VALE SA - SPONSORED ADR	114,118	2,323,508	2.05
CANADA			
AGNICO EAGLE MINES LTD	166,856	10,606,628	9.35
B2GOLD CORP	731,659	3,441,660	3.04
BARRICK GOLD CORP	429,368	10,570,685	9.32
ERO COPPER CORP	64,558	757,098	0.67
K92 MINING INC	86,687	726,688	0.64
LUNDIN MINING CORP	142,202	1,251,897	1.10
OCEANAGOLD CORP	1,541,022	4,106,564	3.62
PAN AMERICAN SILVER CORP	28,468	779,304	0.69

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United Gold & General Fund
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STATEMENT OF PORTFOLIO

As at 30 June 2022

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Geography - Primary (continued)			
Quoted equities			
CANADA (continued)			
SSR MINING INC (SSRM US)	229,074	<u>5,323,998</u>	<u>4.69</u>
TOTAL CANADA		<u>37,564,522</u>	<u>33.12</u>
CHINA			
ZIJIN MINING GROUP CO LTD - H	1,942,000	3,309,919	2.92
EGYPT			
CENTAMIN PLC	1,484,888	1,970,604	1.74
LUXEMBOURG			
ARCELORMITTAL SA	86,569	2,709,266	2.39
NORWAY			
NORSK HYDRO ASA	142,139	1,104,427	0.97
RUSSIA			
POLYMETAL INTERNATIONAL PLC	125,563	384,119	0.34
SOUTH AFRICA			
ANGLOGOLD ASHANTI LTD	76,593	1,594,314	1.40
GOLD FIELDS LTD	421,071	<u>5,472,833</u>	<u>4.83</u>
TOTAL SOUTH AFRICA		<u>7,067,147</u>	<u>6.23</u>

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

United Gold & General Fund

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

STATEMENT OF PORTFOLIO

As at 30 June 2022

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Geography - Primary (continued)			
Quoted equities			
SWEDEN			
SSAB AB - A SHARES	180,964	1,097,843	0.97
UNITED KINGDOM			
ENDEAVOUR MINING PLC	180,235	5,178,250	4.57
SOLGOLD PLC	1,149,557	<u>567,334</u>	<u>0.50</u>
TOTAL UNITED KINGDOM		<u>5,745,584</u>	<u>5.07</u>
UNITED STATES			
ALCOA CORP	21,562	1,367,757	1.20
CLEVELAND CLIFFS INC	56,330	1,204,923	1.06
GRAFTECH INTERNATIONAL LTD	53,747	528,834	0.47
NEWMONT CORP	134,592	11,176,888	9.86
ROYAL GOLD INC	6,335	941,417	0.83
STEEL DYNAMICS INC	14,384	<u>1,324,205</u>	<u>1.17</u>
TOTAL UNITED STATES		<u>16,544,024</u>	<u>14.59</u>
Total Equities		<u>110,891,694</u>	<u>97.79</u>
Portfolio of investments		110,891,694	97.79
Other net assets/(liabilities)		<u>2,506,255</u>	<u>2.21</u>
Net assets attributable to unitholders		<u>113,397,949</u>	<u>100.00</u>

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

United Gold & General Fund

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

STATEMENT OF PORTFOLIO

As at 30 June 2022

	Percentage of total net assets attributable to unitholders at 30 June 2022 %	Percentage of total net assets attributable to unitholders at 30 June 2021 %
By Geography - Primary (Summary)		
Quoted equities		
Australia	27.40	29.55
Brazil	2.05	1.38
Canada	33.12	27.18
China	2.92	-
Egypt	1.74	1.81
Luxembourg	2.39	6.39
Norway	0.97	0.79
Russia	0.34	4.87
South Africa	6.23	7.68
Sweden	0.97	-
United Kingdom	5.07	7.24
United States	14.59	10.50
Portfolio of investments	97.79	97.39
Other net assets/(liabilities)	2.21	2.61
Net assets attributable to unitholders	100.00	100.00

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

United Gold & General Fund

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

STATEMENT OF PORTFOLIO

As at 30 June 2022

	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %	Percentage of total net assets attributable to unitholders at 30 June 2021 %
By Industry - Secondary Quoted equities			
Industrials	528,834	0.47	-
Energy	-	-	0.03
Materials	<u>110,362,860</u>	<u>97.32</u>	<u>97.36</u>
Portfolio of investments	110,891,694	97.79	97.39
Other net assets/(liabilities)	<u>2,506,255</u>	<u>2.21</u>	2.61
Net assets attributable to unitholders	<u>113,397,949</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 30 June 2022

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

1 General

United Gold & General 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 primary activity of the Fund is that of investment trading. The main objective of the Fund is to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals, bulk commodities, base metals of all kinds, and other commodities, and it includes the mining or extraction of oil, gas, coal, alternative energy or other commodities or other minerals.

The Fund currently offers three classes of units, namely:

- Class A SGD Acc (denominated in Singapore Dollar)
- Class A SGD Acc (Hedged) (denominated in Singapore Dollar)
- Class A USD Acc (denominated in United States Dollar)

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

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 30 June 2022 and 2021, the Fund has only issued Class A SGD Acc.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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 30 June 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 30 June 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
	\$	\$
Singapore income tax refund	(17,807)	-
Overseas income tax	<u>597,398</u>	<u>493,451</u>
Total income tax	<u>579,591</u>	<u>493,451</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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 Singapore income tax represents tax deducted at source for Singapore sourced dividends.

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 30 June 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.

United Gold & General Fund
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

4 Receivables

	2022	2021
	\$	\$
Amounts receivable for creation of units	87,860	277,802
Dividends receivable	9,887	96,661
Other receivables	<u>91,142</u>	<u>189,532</u>
	<u>188,889</u>	<u>563,995</u>

5 Payables

	2022	2021
	\$	\$
Amounts payable for cancellation of units	455,673	345,163
Amount due to the Manager	498,965	666,397
Amount due to Trustee	11,642	15,549
Tax payables	2,962	13,549
Other creditors and accrued expenses	<u>168,119</u>	<u>93,493</u>
	<u>1,137,361</u>	<u>1,134,151</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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.

	2022		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	339,954	-	6,750
	2021		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	1,253,724	753	-

United Gold & General Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

7 Units in issue

During the financial years ended 30 June 2022 and 2021, the numbers of units issued, redeemed and outstanding were as follows:

	2022	2021
Units at the beginning of the financial year	91,449,964	95,855,271
Units created	30,728,042	61,320,965
Units cancelled	<u>(48,912,095)</u>	<u>(65,726,272)</u>
Units at the end of the financial year*	<u>73,265,911</u>	<u>91,449,964</u>
 *Included above are units denominated in USD	 9,624,686	 11,365,125
	\$	\$
Net assets attributable to unitholders	113,397,949	160,277,362
Net assets value per unit	1.547	1.752

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

8 Financial risk management

The 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

8 Financial risk management (continued)

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The 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 Gold & General Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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 30 June 2022

	AUD	CAD	GBP	SGD	USD	ZAR	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Portfolio of investments	21,308,615	26,630,259	12,122,699	-	35,541,519	7,067,147	8,221,455	110,891,694
Receivables	-	-	-	160,362	28,527	-	-	188,889
Cash and bank balances	577	7,712	3,912	862,351	2,867,070	826	53,481	3,795,929
Total Assets	21,309,192	26,637,971	12,126,611	1,022,713	38,437,116	7,067,973	8,274,936	114,876,512
Liabilities								
Purchases awaiting settlement	-	-	-	-	-	334,452	-	334,452
Payables	-	-	-	1,054,995	82,366	-	-	1,137,361
Total Liabilities	-	-	-	1,054,995	82,366	334,452	-	1,471,813
Net Assets	21,309,192	26,637,971	12,126,611	(32,282)	38,354,750	6,733,521	8,274,936	
Foreign currency contracts (notional value)	-	-	-	-	(339,954)	339,954	-	
Net currency exposure	21,309,192	26,637,971	12,126,611	(32,282)	38,014,796	7,073,475	8,274,936	

United Gold & General Fund
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2021

	AUD \$	CAD \$	GBP \$	SGD \$	USD \$	ZAR \$	Others \$	Total \$
Assets								
Portfolio of investments	36,852,887	35,370,766	21,704,915	-	38,408,573	12,264,270	11,491,117	156,092,528
Receivables	-	-	-	367,561	196,434	-	-	563,995
Cash and bank balances	2,762	1,030	14,685	1,774,884	4,196,691	397	17,458	6,007,907
Total Assets	36,855,649	35,371,796	21,719,600	2,142,445	42,801,698	12,264,667	11,508,575	162,664,430
Liabilities								
Purchases awaiting settlement	-	-	-	-	-	-	1,253,670	1,253,670
Payables	-	-	-	922,088	212,063	-	-	1,134,151
Total Liabilities	-	-	-	922,088	212,063	-	1,253,670	2,387,821
Net Assets	36,855,649	35,371,796	21,719,600	1,220,357	42,589,635	12,264,667	10,254,905	
Foreign currency contracts (notional value)	-	-	-	-	(1,253,724)	-	1,253,724	
Net currency exposure	36,855,649	35,371,796	21,719,600	1,220,357	41,335,911	12,264,667	11,508,629	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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.

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 30 June 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 \$
70% FT Gold Mines Index, 30% Euromoney Global Mining Index	30	34,125,844	30	47,177,437

(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 2022

8 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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.

(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.

United Gold & General Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

8 Financial risk management (continued)

(b) Liquidity risk (continued)

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 30 June 2022			
Purchases awaiting settlement	334,452	-	-
Payables	1,137,361	-	-
Financial derivatives at fair value			
- Foreign currency contracts	6,750	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 30 June 2021			
Purchases awaiting settlement	1,253,670	-	-
Payables	1,134,151	-	-

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 30 June 2022			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	339,954	-	-
- outflow	(346,704)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

8 Financial risk management (continued)

(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.

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 30 June 2022 and 2021.

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

	Credit rating as at 30 June 2022	Credit rating as at 30 June 2021
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Counterparties of foreign currency contracts		
The Hongkong and Shanghai Banking Corporation Limited	n/a*	a+
Standard Chartered Bank	a	n/a*

* *The Fund has no exposure to the counterparties as at 30 June 2022 or 2021.*

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 30 June 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 30 June 2022 and 2021:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2022				
Assets				
Portfolio of investments				
- Quoted equities	<u>110,891,694</u>	-	-	<u>110,891,694</u>
Total	<u>110,891,694</u>	-	-	<u>110,891,694</u>
Liabilities				
Financial derivatives at fair value	-	<u>6,750</u>	-	<u>6,750</u>
Total	-	<u>6,750</u>	-	<u>6,750</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2021				
Assets				
Portfolio of investments				
- Quoted equities	156,092,528	-	-	156,092,528
Financial derivatives at fair value	-	753	-	753
Total	<u>156,092,528</u>	<u>753</u>	-	<u>156,093,281</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

8 Financial risk management (continued)

(e) Fair value estimation (continued)

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.

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 30 June 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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
	\$	\$	\$	\$	\$	\$
30 June 2022						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-
30 June 2021						
Derivative financial instruments	753	-	753	-	-	753
Total	753	-	753	-	-	753

United Gold & General Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 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
	\$	\$	\$	\$	\$	\$
30 June 2022						
Derivative financial instruments	6,750	-	6,750	-	-	6,750
Total	6,750	-	6,750	-	-	6,750
30 June 2021						
Derivative financial instruments	-	-	-	-	-	-
Total	-	-	-	-	-	-

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 is 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 30 June 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	3,795,929	6,007,907

(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	385	38
United Overseas Bank Limited		
Bank charges	25,343	36,984

United Gold & General Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

10 Financial ratios

	2022	2021
	\$	\$
Total operating expenses	2,676,200	3,594,726
Average daily net assets value	<u>156,127,578</u>	<u>193,684,276</u>
Expense ratio ¹	<u>1.71%</u>	<u>1.86%</u>
Lower of total value of purchases or sales	79,651,923	161,001,780
Average daily net assets value	<u>156,127,578</u>	<u>193,684,276</u>
Turnover ratio ²	<u>51.02%</u>	<u>83.13%</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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