



United Asia Consumer Fund

Annual Report

for the financial year ended
30th June 2018

United Asia Consumer 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

Lee Wai Fai
Eric Tham Kah Jin
Peh Kian Heng
Thio Boon Kiat

TRUSTEE

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

CUSTODIAN / ADMINISTRATOR / REGISTRAR

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

AUDITOR

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

United Asia Consumer 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 12 October 2009 Ann Comp Ret
United Asia Consumer Fund	-1.33	-3.82	9.35	6.10	0.87	N/A	4.01
Benchmark	-0.06	-3.61	6.53	6.23	5.42	N/A	6.89

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: 50% MSCI AC Asia ex Japan Consumer Discretionary Index and 50% MSCI AC Asia ex Japan Consumer Staples Index.

For the year ended 30 June 2018, the net asset value of the Fund **rose 9.35%**, outperforming the 6.53% increase in the benchmark 50% MSCI AC Asia ex Japan Consumer Discretionary Index and 50% MSCI AC Asia ex Japan Consumer Staples Index in Singapore Dollar terms.

The primary reason for the Fund's outperformance was positive stock selection that more than outweighed the negative country allocation.

The Fund benefited from its *overweight* position in the **Information Technology** and **Automobile** sector, which recorded a strong performance from selected e-commerce plays and automobile manufacturers respectively. The Fund's investments in convenience store retailers also contributed positively.

Key contributors to performance included **Alibaba Group** and **Tencent (China)**, **Brilliance China (China)**, **Maruti Suzuki** and **Hindustan Unilever (India)**, **President Chain Store (Taiwan)**, **Central Pattana PCL (Thailand)** and **Mitra Adiperkasa (Indonesia)**.

Key detractors included **Coway** and **Hyundai Motor (South Korea)**, **Thai Beverage (Singapore)** and **Surya Citra Media (Indonesia)**.

As at end June 2018, the Fund had the following country asset allocation: **Hong Kong (17.05%)**, **South Korea (15.70%)**, **China (15.39%)**, **India (14.31%)**, **Taiwan (6.07%)**, **Thailand (5.81%)**, **Indonesia (5.42%)**, **Macau (5.14%)**, others (11.94%) and the remainder in cash (3.17%).

Economic and Market Review

In the second half of 2017, equity markets in Asia registered stellar gains against their global peers which saw the regional gauge surpassing record peaks. The broad exuberance in the markets was supported by a "Goldilocks Nirvana"- stable growth and benign inflation as global economic data continued to improve. Investors continued to adopt a risk-on approach, shrugging off geopolitical tensions from North Korea to the Middle East.

A) Fund Performance (continued)

North Asia outperformed South-east Asia with **Information Technology** giants fueling much of the gains as the former saw China as the best performing market. Other standout outperformers were Korea, India and Hong Kong. The worst performers were Philippines, Malaysia, Indonesia and Taiwan. Across sectors, **Information Technology** was the best performing while **Real Estate** outperformed.

Going into 2018, Asian markets erased gains made from 2017 as volatility levels spiked beginning in February with the corrections gripping the entire market. A wave of concerns surfaced during the period; an escalation of trade spats between the US and China, an emerging markets rout which threatened to spread to Asia, fears of normalising US interest rates that would encourage outflows from the region.

10-year US Treasury yields rose significantly during the period as the US Federal Reserve raised interest rates twice (in March and June) with a new Fed Chairman who voiced preference for communicating better guidance for the markets.

With the exception of the Japanese Yen and Malaysian Ringgit, the US Dollar strengthened against nearly all Asian currencies. The Indian Rupee and Philippine Peso lost the most against the greenback. In the commodities market, metals climbed - copper, aluminium, gold and zinc rallied.

Higher oil prices also weighed on Asian markets. Oil sustained gains after a series of Organisation of the Petroleum Exporting Countries (OPEC) made efforts at production cuts to drain a global glut of supply. Prices rose amid escalating geopolitical tensions and fears of supply disruptions in the energy rich Middle East.

China managed to post a return, despite investor fears around rising trade tensions with the US including restrictions over Chinese **Information Technology** licensing practices. Fears over a China slowdown subsided; with economic data toward the end of the period showing that manufacturing, industrial product and GDP growth did better than expected. During the period, the country removed term limits for its President and announced measures to slash import tariffs on a wide range of consumer goods. In June, the central bank announced cuts to the reserve requirements for banks in a bid to boost lending.

Across the straits in Taiwan, markets outperformed even as the **Information Technology** sector witnessed further selloffs as investors rotated into other sectors. Hong Kong outperformed and, the Hang Seng climbed to highest levels in over a decade for January.

Korea equities underperformed, and trimmed gains from weakening mobile phone demand and production cuts. The momentous inter-Korean summit saw both sides agreeing on steps towards denuclearisation and cooperation that stoked hopes of domestic companies benefitting from closer relations over the long term.

India underperformed, with authorities opening an inquiry into the country's biggest ever banking fraud case and weak performance from the ruling Bharatiya Janata Party in state by-elections.

A) Fund Performance (continued)

ASEAN lagged behind their counterparts in North Asia. The Philippines registered the biggest losses. Headwinds from a Peso depreciation and a record trade deficit spooked investors. Meanwhile, Indonesia markets saw little reason to cheer as its trade balance fell into a deficit on rising oil and gas imports. After initial gains in the first two months, Thailand reversed its performance despite growing domestic demand and accelerating export growth. Singapore outperformed as the three local banks, comprising the lion's share of the market, remained in the green. Despite a new government and associated policy risks including scrapped goods and services taxes and tighter scrutiny of infrastructure projects, Malaysia managed to outperform.

Outlook and Fund Strategy

The earnings revision in Asia that was strong at the beginning of 2018 has trailed global markets, largely due to moderating export growth momentum. Despite this, earnings revisions remain positive and market valuations are still reasonable at a sizeable discount to global markets. The Asian markets are trading near their 18-year historical mean level based on price-to-earnings multiple, and at a slight discount on a price-to-book basis.

Despite solid underlying fundamentals in Asia, market performance has been impacted by heavy foreign selling. The US Dollar strength and the emerging market (EM) contagion triggered by Turkey and Argentina has resulted in a huge capital flight from Asia. Southeast Asia has witnessed the brunt of the selloffs despite stronger FX reserves and corporate balance sheets compared to the broader EM.

On the US and China trade war, while we assess the growth and earnings impact on the market is muted, a long drawn out trade war and escalating retaliation beyond trade is damaging for both countries and all market participants. Our base case remains that there should not be a full blown trade war, and there should be some negotiated settlement assuming rationality from both sides. Nonetheless, we acknowledge that trade tensions may persist for some time and will be an overhang on the Asian markets in the near term.

In Asia, we favour countries with stable currencies, current account surpluses and positive earnings revisions. The main risks are trade wars, spikes in 10-year US Treasury yields, a strengthening US Dollar and geopolitical challenges that would derail global growth momentum. We continue to be positive on Asia given the backdrop of still healthy global GDP growth, the region's continued positive earnings revision and cheaper valuations versus global markets.

The mid to long term drivers for Asian consumption growth remain intact. We are seeing the fast growing urbanisation trends in China, India and Indonesia, some of the most populous countries in Asia. Asian economies continue to register healthy economic growth which in turn drives income growth. Not surprisingly, the consumption power of Asia's mass affluent population continues to grow. Accordingly, investors should continue to stay constructive on the outlook for the consumption sector.

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2018 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
China	823,571	15.39
Hong Kong	912,407	17.05
India	765,639	14.31
Indonesia	290,017	5.42
Macau	274,839	5.14
Malaysia	222,642	4.16
Philippines	211,983	3.96
Singapore	204,290	3.82
South Korea	840,199	15.70
Taiwan	324,479	6.07
Thailand	311,098	5.81
Portfolio of investments	5,181,164	96.83
Other net assets/(liabilities)	169,376	3.17
Total	5,350,540	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Consumer Discretionary	2,473,729	46.23
Consumer Staples	1,587,935	29.68
Health Care	200,497	3.75
Information Technology	729,921	13.64
Materials	57,922	1.08
Real Estate	131,160	2.45
Portfolio of investments	5,181,164	96.83
Other net assets/(liabilities)	169,376	3.17
Total	5,350,540	100.00

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 30 June 2018 under review classified by (continued)

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	5,181,164	96.83
Other net assets/(liabilities)	169,376	3.17
Total	5,350,540	100.00

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 30 June 2018

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
ALIBABA GROUP HOLDING LTD	521,119	9.74
MARUTI SUZUKI INDIA LTD	385,170	7.20
PRESIDENT CHAIN STORE CORP	324,479	6.07
HINDUSTAN UNILEVER LTD	293,055	5.48
GALAXY ENTERTAINMENT GROUP LTD	263,951	4.93
SA SA INTERNATIONAL HOLDINGS LTD	199,065	3.72
CP ALL PCL	181,498	3.39
WYNN MACAU LTD	175,533	3.28
HAIER ELECTRONICS GROUP CO LTD	167,990	3.14
GENTING MALAYSIA BHD	164,720	3.08

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C) Top Ten Holdings (continued)

10 largest holdings as at 30 June 2017

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MARUTI SUZUKI INDIA LTD	614,971	9.60
ALIBABA GROUP HOLDING LTD	581,995	9.09
HINDUSTAN UNILEVER LTD	298,957	4.67
PRESIDENT CHAIN STORE CORP	297,095	4.64
HYUNDAI MOTOR CO	287,909	4.49
HYUNDAI MOBIS CO LTD	285,803	4.46
BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LTD	275,883	4.31
TENCENT HOLDINGS LTD	265,915	4.15
COWAY CO LTD	250,304	3.91
ASTRA INTERNATIONAL TBK PT	230,508	3.60

D) Exposure to derivatives

- i) Fair value of derivative contracts and as a percentage of NAV as at 30 June 2018
N/A
- ii) There was a net realised gain of SGD 25 on derivative contracts during the financial year ended 30 June 2018.
- iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2018
N/A

E) Amount and percentage of NAV invested in other schemes as at 30 June 2018

N/A

F) Amount and percentage of borrowings to NAV as at 30 June 2018

N/A

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G) Amount of redemptions and subscriptions for the financial year ended 30 June 2018

Total amount of redemptions	SGD	3,287,998
Total amount of subscriptions	SGD	1,539,084

H) The amount and terms of related-party transactions for the financial year ended 30 June 2018

Please refer to Note 8 of the Notes to the Financial Statements.

I) Expense ratios

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

J) Turnover ratios

Please refer to Note 9 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 2018 and 30 June 2017

N/A

- ii) Expense ratios for the financial year ended 30 June 2018 and 30 June 2017

N/A

- iii) Turnover ratios for the financial year ended 30 June 2018 and 30 June 2017

N/A

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

M) Soft dollar commissions/arrangements

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

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

N/A

REPORT OF THE TRUSTEE

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 15 to 39, 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
21 September 2018

United Asia Consumer Fund
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STATEMENT BY THE MANAGER

In the opinion of UOB Asset Management Ltd, the accompanying financial statements set out on pages 15 to 39, 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 Asia Consumer Fund (the "Fund") as at 30 June 2018, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the 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
21 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASIA CONSUMER FUND

Our Opinion

In our opinion, the accompanying financial statements of United Asia Consumer Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2018, and of 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 2018;
- the Statement of Financial Position as at 30 June 2018;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2018;
- the Statement of Portfolio as at 30 June 2018; 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 ASIA CONSUMER FUND

Our opinion on the financial statements does not cover the other information and we do not and will 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 on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

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

In preparing the financial statements, the Manager is responsible for assessing the 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 ASIA CONSUMER 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, 21 September 2018

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

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Dividends		95,743	140,515
Interest		<u>7</u>	<u>98</u>
Total		<u>95,750</u>	<u>140,613</u>
Less: Expenses			
Management fee	8	95,948	135,174
Trustee fee	8	5,528	4,192
Audit fee		14,000	12,404
Registrar fee	8	15,041	15,832
Valuation fee	8	7,996	11,264
Administration fee	8	15,991	22,528
Custody fee	8	11,106	8,553
Transaction costs		27,009	77,155
Interest expenses		177	2,167
Other expenses		<u>37,405</u>	<u>57,290</u>
Total		<u>230,201</u>	<u>346,559</u>
Net income/(losses)		<u>(134,451)</u>	<u>(205,946)</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		847,469	1,626,289
Net gains/(losses) on financial derivatives		25	(1,532)
Net foreign exchange gains/(losses)		<u>(9,095)</u>	<u>190,405</u>
		<u>838,399</u>	<u>1,815,162</u>
Total return/(deficit) for the year before income tax		703,948	1,609,216
Less: Income tax	3	<u>(10,602)</u>	<u>(8,960)</u>
Total return/(deficit) for the year		<u>693,346</u>	<u>1,600,256</u>

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

United Asia Consumer Fund
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Portfolio of investments		5,181,164	6,325,258
Receivables	4	7,555	13,669
Cash and bank balances		<u>208,786</u>	<u>129,082</u>
Total assets		<u>5,397,505</u>	<u>6,468,009</u>
Liabilities			
Payables	5	<u>46,965</u>	61,901
Total liabilities		<u>46,965</u>	<u>61,901</u>
Equity			
Net assets attributable to unitholders	6	<u>5,350,540</u>	6,406,108

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

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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2018

	Note	2018 \$	2017 \$
Net assets attributable to unitholders at the beginning of the financial year		6,406,108	16,051,548
Operations			
Change in net assets attributable to unitholders resulting from operations		693,346	1,600,256
Unitholders' contributions/(withdrawals)			
Creation of units		1,539,084	358,242
Cancellation of units		<u>(3,287,998)</u>	<u>(11,603,938)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(1,748,914)	(11,245,696)
Total increase/(decrease) in net assets attributable to unitholders		<u>(1,055,568)</u>	<u>(9,645,440)</u>
Net assets attributable to unitholders at the end of the financial year	6	<u>5,350,540</u>	<u>6,406,108</u>

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

United Asia Consumer Fund
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STATEMENT OF PORTFOLIO

As at 30 June 2018

	Holdings at 30 June 2018	Fair value at 30 June 2018 \$	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By Geography - Primary			
Quoted equities			
CHINA			
ALIBABA GROUP HOLDING LTD	2,060	521,119	9.74
BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LTD	24,000	59,062	1.10
CHINA MENGNIU DAIRY CO LTD	26,000	120,197	2.25
TENCENT HOLDINGS LTD	1,800	<u>123,193</u>	<u>2.30</u>
TOTAL CHINA		<u>823,571</u>	<u>15.39</u>
HONG KONG			
CSPC PHARMACEUTICAL GROUP LTD	30,000	123,568	2.31
GALAXY ENTERTAINMENT GROUP LTD	25,000	263,951	4.93
HAIER ELECTRONICS GROUP CO LTD	36,000	167,990	3.14
LIFESTYLE INTERNATIONAL HOLDINGS LTD	12,000	34,703	0.65
SA SA INTERNATIONAL HOLDINGS LTD	230,000	199,065	3.72
SHANGRI-LA ASIA LTD	48,000	<u>123,130</u>	<u>2.30</u>
TOTAL HONG KONG		<u>912,407</u>	<u>17.05</u>
INDIA			
HINDUSTAN UNILEVER LTD	9,000	293,055	5.48
MARUTI SUZUKI INDIA LTD	2,193	385,170	7.20
TITAN CO LTD	5,000	<u>87,414</u>	<u>1.63</u>
TOTAL INDIA		<u>765,639</u>	<u>14.31</u>

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STATEMENT OF PORTFOLIO

As at 30 June 2018

	Holdings at 30 June 2018	Fair value at 30 June 2018 \$	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By Geography - Primary (continued)			
Quoted equities			
INDONESIA			
ASTRA INTERNATIONAL TBK PT	110,000	69,079	1.29
INDOFOOD CBP SUKSES MAKMUR TBK PT	120,000	101,049	1.89
MITRA ADIPERKASA TBK PT	1,400,000	<u>119,889</u>	<u>2.24</u>
TOTAL INDONESIA		<u>290,017</u>	<u>5.42</u>
MACAU			
MGM CHINA HOLDINGS LTD	14,800	46,813	0.88
SANDS CHINA LTD	7,200	52,493	0.98
WYNN MACAU LTD	40,000	<u>175,533</u>	<u>3.28</u>
TOTAL MACAU		<u>274,839</u>	<u>5.14</u>
MALAYSIA			
DENKO INDUSTRIAL CORP BHD	120,000	57,922	1.08
GENTING MALAYSIA BHD	100,000	<u>164,720</u>	<u>3.08</u>
TOTAL MALAYSIA		<u>222,642</u>	<u>4.16</u>
PHILIPPINES			
ROBINSONS RETAIL HOLDINGS INC	40,000	81,247	1.52
WILCON DEPOT INC	430,000	<u>130,736</u>	<u>2.44</u>
TOTAL PHILIPPINES		<u>211,983</u>	<u>3.96</u>

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STATEMENT OF PORTFOLIO

As at 30 June 2018

	Holdings at 30 June 2018	Fair value at 30 June 2018 \$	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By Geography - Primary (continued)			
Quoted equities			
SINGAPORE			
CITY DEVELOPMENTS LTD	12,000	131,160	2.45
HEALTH MANAGEMENT INTERNATIONAL LTD	122,907	<u>73,130</u>	<u>1.37</u>
TOTAL SINGAPORE		<u>204,290</u>	<u>3.82</u>
SOUTH KOREA			
AMOREPACIFIC CORP	350	138,093	2.58
BGF RETAIL CO LTD	460	109,741	2.05
CELLTRION HEALTHCARE CO LTD	28	3,799	0.07
COWAY CO LTD	1,080	114,424	2.14
E-MART INC	350	108,976	2.04
HYUNDAI MOBIS CO LTD	190	49,279	0.92
HYUNDAI MOTOR CO	700	107,477	2.01
SAMSUNG ELECTRONICS CO LTD	1,500	85,609	1.60
SHINSEGAE INC	250	<u>122,801</u>	<u>2.29</u>
TOTAL SOUTH KOREA		<u>840,199</u>	<u>15.70</u>
TAIWAN			
PRESIDENT CHAIN STORE CORP	21,000	324,479	6.07
THAILAND			
CP ALL PCL	60,000	181,498	3.39

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

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

STATEMENT OF PORTFOLIO

As at 30 June 2018

	Holdings at 30 June 2018	Fair value at 30 June 2018 \$	Percentage of total net assets attributable to unitholders at 30 June 2018 %
By Geography - Primary (continued)			
Quoted equities			
THAILAND (continued)			
THAI BEVERAGE PCL	180,000	<u>129,600</u>	<u>2.42</u>
TOTAL THAILAND		<u>311,098</u>	<u>5.81</u>
Total Equities		<u>5,181,164</u>	<u>96.83</u>
Portfolio of investments		5,181,164	96.83
Other net assets/(liabilities)		<u>169,376</u>	<u>3.17</u>
Net assets attributable to unitholders		<u>5,350,540</u>	<u>100.00</u>

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

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

STATEMENT OF PORTFOLIO

As at 30 June 2018

	Percentage of total net assets attributable to unitholders at 30 June 2018 %	Percentage of total net assets attributable to unitholders at 30 June 2017 %
By Geography - Primary (Summary)		
Quoted equities		
China	15.39	18.81
Hong Kong	17.05	10.07
India	14.31	18.47
Indonesia	5.42	11.02
Macau	5.14	1.91
Malaysia	4.16	3.03
Philippines	3.96	1.85
Singapore	3.82	4.23
South Korea	15.70	18.64
Taiwan	6.07	6.22
Thailand	5.81	4.49
Portfolio of investments	96.83	98.74
Other net assets/(liabilities)	3.17	1.26
Net assets attributable to unitholders	100.00	100.00

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

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

STATEMENT OF PORTFOLIO

As at 30 June 2018

	Fair value at 30 June 2018 \$	Percentage of total net assets attributable to unitholders at 30 June 2018 %	Percentage of total net assets attributable to unitholders at 30 June 2017 %
By Industry - Secondary Quoted equities			
Consumer Discretionary	2,473,729	46.23	51.63
Consumer Staples	1,587,935	29.68	27.42
Financials	-	-	1.23
Health Care	200,497	3.75	3.18
Industrials	-	-	0.36
Information Technology	729,921	13.64	13.24
Materials	57,922	1.08	-
Real Estate	131,160	2.45	1.68
Portfolio of investments	5,181,164	96.83	98.74
Other net assets/(liabilities)	169,376	3.17	1.26
Net assets attributable to unitholders	5,350,540	100.00	100.00

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

1 General

United Asia Consumer Fund (the "Fund") is a Singapore-registered trust fund constituted under a Trust Deed dated 28 August 2009 between UOB Asset Management Ltd (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Retired Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore.

With effect from 1 April 2017, the Trustee of the Fund has changed from HSBC Institutional Trust Services (Singapore) Limited to State Street Trust (SG) Limited (the "Trustee"), and the global custodian of the Fund has changed from The Hongkong and Shanghai Banking Corporation Limited to State Street Bank and Trust Company, Singapore Branch.

The primary activity of the Fund is to achieve capital appreciation through investment in equities or equity-related securities of Asian (excluding Japanese) companies whose businesses are likely to benefit from or are related to growth in consumer spending in Asia.

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.

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 assets held at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2 Significant accounting policies (continued)

(c) Investments (continued)

(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.

(e) Foreign currency translation

(i) Functional and presentation currency

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in the Singapore Dollar and the United States Dollar.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

2 Significant accounting policies (continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances

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

(f) 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.

(g) 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.

3 Income tax

	2018	2017
	\$	\$
Overseas income tax	10,602	8,960

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

3 Income tax (continued)

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

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

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

4 Receivables

	2018 \$	2017 \$
Amounts receivable for creation of units	1,000	1,000
Dividends receivable	6,555	5,995
Other receivables	-	6,674
	<u>7,555</u>	<u>13,669</u>

United Asia Consumer Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

5 Payables

	2018	2017
	\$	\$
Amount payable for cancellation of units	47	127
Amount due to the Manager	23,643	26,809
Amount due to Trustee	1,260	1,247
Tax payables	596	-
Other creditors and accrued expenses	<u>21,419</u>	<u>33,718</u>
	<u>46,965</u>	<u>61,901</u>

6 Units in issue

During the financial year ended 30 June 2018 and 2017, the numbers of units issued, redeemed and outstanding were as follows:

	2018	2017
Units at the beginning of the financial year	5,272,351	15,476,258
Units created	1,208,090	307,568
Units cancelled	<u>(2,467,299)</u>	<u>(10,511,475)</u>
Units at the end of the financial year*	<u>4,013,142</u>	<u>5,272,351</u>

*Included above are units denominated in USD

	\$	\$
Net assets attributable to unitholders	5,350,540	6,406,108
Net assets value per unit	1.333	1.215

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

6 Units in issue (continued)

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

	2018 \$	2017 \$
Net assets attributable to unitholders per financial statements per unit	1.333	1.215
Over accrual for registrar fee	-	(0.001)
Under accrual for legal and professional fee	-	0.005
Net assets attributable to unitholders for issuing/redeeming per unit	<u>1.333</u>	<u>1.219</u>

7 Financial risk management

The Fund's activities expose it to a variety of market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use 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 2018

7 Financial risk management (continued)

(a) Market risk

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

For the financial year ended 30 June 2018

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 30 June 2018

	HKD \$	SGD \$	KRW \$	IDR \$	INR \$	USD \$	Others \$	Total \$
Assets								
Portfolio of investments	1,489,700	333,890	840,199	290,017	765,639	521,118	940,601	5,181,164
Receivables	1,814	1,001	-	1,858	2,149	-	733	7,555
Cash and bank balances	-	142,332	10	-	66,389	55	-	208,786
Total Assets	1,491,514	477,223	840,209	291,875	834,177	521,173	941,334	5,397,505
Liabilities								
Payables	-	46,369	-	379	-	-	217	46,965
Total Liabilities	-	46,369	-	379	-	-	217	46,965
Net currency exposure	1,491,514	430,854	840,209	291,496	834,177	521,173	941,117	

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2017

	HKD \$	SGD \$	KRW \$	IDR \$	INR \$	USD \$	Others \$	Total \$
Assets								
Portfolio of investments	1,389,985	405,968	1,194,231	706,091	1,183,436	581,994	863,553	6,325,258
Receivables	900	7,673	-	-	5,096	-	-	13,669
Cash and bank balances	1,141	104,503	-	372	15,145	7,921	-	129,082
Total Assets	1,392,026	518,144	1,194,231	706,463	1,203,677	589,915	863,553	6,468,009
Liabilities								
Payables	-	61,221	-	-	-	680	-	61,901
Total Liabilities	-	61,221	-	-	-	680	-	61,901
Net currency exposure	1,392,026	456,923	1,194,231	706,463	1,203,677	589,235	863,553	

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

(ii) Price risk

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 30 June 2018

7 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 30 June 2018 and 2017. 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 fair value of the Fund's investments moved according to the historical correlation with the index.

Benchmark component	2018 Net impact to net assets attributable to unitholders		2017 Net impact to net assets attributable to unitholders	
	\$	%	\$	%
50% MSCI AC Asia ex Japan Consumer Discretionary Index and 50% MSCI AC Asia ex Japan Consumer Staples Index	1,102,797	20	1,227,100	20

(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 on 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 the 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 30 June 2018

7 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 cash equivalents 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 listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end date to the contractual maturity date. The amounts in the table 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 2018			
Payables	46,965	-	-
	Less than 3 months \$	3 months to 1 year \$	Over 1 year \$
As at 30 June 2017			
Payables	61,901	-	-

(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 are regularly assessed and updated by the Manager.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

7 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 30 June 2018 and 2017.

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

	Credit rating as at 30 June 2018	Credit rating as at 30 June 2017
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-

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

(d) Capital management

The 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.

(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).

United Asia Consumer Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

7 Financial risk management (continued)

(e) Fair value estimation (continued)

The following table analyses within the fair value hierarchy, the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2018 and 2017:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2018				
Assets				
Portfolio of investments				
- Quoted equities	<u>5,181,164</u>	<u>-</u>	<u>-</u>	<u>5,181,164</u>
Total	<u>5,181,164</u>	<u>-</u>	<u>-</u>	<u>5,181,164</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2017				
Assets				
Portfolio of investments				
- Quoted equities	<u>6,325,258</u>	<u>-</u>	<u>-</u>	<u>6,325,258</u>
Total	<u>6,325,258</u>	<u>-</u>	<u>-</u>	<u>6,325,258</u>

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

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 2018 and 2017 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 2018

8 Related party transactions

(a) The Manager and the Trustee of the Fund are UOB Asset Management Ltd and State Street Trust (SG) Limited respectively. State Street Trust (SG) Limited replaced HSBC Institutional Trust Services (Singapore) Limited as the Trustee with effect from 1 April 2017. 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, valuation fee and administration fee are paid to the Manager for the financial year. Trustee fee and registrar fee were paid to the Retired Trustee for the period from 1 July 2016 to 31 March 2017.

With effect from 1 April 2017, trustee fee and registrar fee are paid to the Trustee and State Street Bank and Trust Company, Singapore Branch respectively.

Custody fee was paid to The Hongkong and Shanghai Banking Corporation Limited, a related party of the Retired Trustee, for the period from 1 July 2016 to 31 March 2017 and is paid to State Street Bank and Trust Company, Singapore Branch with effect from 1 April 2017.

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.

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

	2018	2017
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	208,786	129,082

United Asia Consumer Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

8 Related party transactions (continued)

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

	2018	2017
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Bank charges	-	504
Interest income	7	-
United Overseas Bank Limited		
Bank charges	2,128	50
Interest expense	177	-
The Hongkong and Shanghai Banking Corporation Limited		
Bank charges	-	96
Interest income	-	18
Interest expense	-	2,167

(d) UOB Kay Hian Pte Ltd is an affiliated company of United Overseas Bank Limited.

During the financial year, the Fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

	2018	2017
	\$	\$
Brokerage charges	219	721

United Asia Consumer Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

9 Financial ratios

	2018	2017
	\$	\$
Total operating expenses	203,015	267,237
Average daily net asset value	<u>6,399,699</u>	<u>8,991,104</u>
Expense ratio ¹	<u>3.17%</u>	<u>2.97%</u>
Lower of total value of purchases or sales	2,603,568	2,435,114
Average daily net assets value	<u>6,399,699</u>	<u>8,991,104</u>
Turnover ratio ²	<u>40.68%</u>	<u>27.08%</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 asset value respectively for the financial year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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

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