

United Choice Portfolios II

➤ United SGD Fund

Annual Report

for the financial year ended
31 December 2022



Right By You

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

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

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

United SGD Fund

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

A) Fund Performance

Class A (Acc) SGD

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 19 June 1998 Ann Comp Ret
United SGD Fund	0.62	-0.15	-2.31	0.28	1.00	2.02	2.82
Benchmark	0.51	0.74	0.88	0.69	1.13	0.93	1.22

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 – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

Class A (Dist) SGD

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 13 March 2014 Ann Comp Ret
United SGD Fund	0.71	-0.04	-2.22	0.27	1.00	N/A	1.70
Benchmark	0.51	0.74	0.88	0.69	1.13	N/A	1.03

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 – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

United SGD Fund

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

A) Fund Performance (continued)

Class A (Acc) USD (Hedged)

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 16 February 2016 Ann Comp Ret
United SGD Fund	0.63	-0.18	-2.36	0.24	1.20	N/A	1.69
Benchmark	7.53	4.53	1.40	0.78	1.06	N/A	1.83

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

Class A (Dist) USD (Hedged)

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 16 February 2016 Ann Comp Ret
United SGD Fund	0.82	0.07	-2.10	0.45	1.43	N/A	1.79
Benchmark	7.53	4.53	1.40	0.78	1.06	N/A	1.83

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

United SGD Fund

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

A) Fund Performance (continued)

Class B (Acc) SGD

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 March 2013 Ann Comp Ret
United SGD Fund	0.73	0.08	-1.98	0.60	1.33	N/A	2.23
Benchmark	0.51	0.74	0.88	0.69	1.13	N/A	0.95

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 – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

Class D SGD Acc

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 11 April 2022 Ann Comp Ret
United SGD Fund	0.71	0.00	N/A	N/A	N/A	N/A	-0.10
Benchmark	0.51	0.74	N/A	N/A	N/A	N/A	0.81

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 – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

United SGD Fund

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

A) Fund Performance (continued)

Class S (Dist) SGD

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 11 March 2019 Ann Comp Ret
United SGD Fund	0.64	-0.07	-2.27	0.25	N/A	N/A	0.73
Benchmark	0.51	0.74	0.88	0.69	N/A	N/A	0.96

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 – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

Class S (Dist) USD (Hedged)

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 10 April 2019 Ann Comp Ret
United SGD Fund	0.75	0.05	-2.05	0.33	N/A	N/A	0.75
Benchmark	7.53	4.53	1.40	0.78	N/A	N/A	1.17

Source: Morningstar.

Note: The performance returns of the Fund are in United States Dollar based on a NAV-to-NAV basis with dividends and distributions reinvested, if any.
The benchmark of the Fund: Since Inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 to 7 Apr 22: 12M Bank Deposit Rate; 8 Apr 22 – Present: 6M Compounded SORA.

For the year-year ended 31 December 2022, Class A (Acc) SGD, Class A (Dist) SGD, Class B (Acc) SGD and Class S (Dist) SGD of the Fund **returned -2.31%, -2.22%, -1.98% and -2.27%** respectively on a net-asset-value basis as compared to its benchmark, the 6M Compounded SORA return of 0.88% in Singapore Dollar terms, while Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class S (Dist) USD (Hedged) of the Fund **returned -2.36%, -2.10% and -2.05%** respectively against its benchmark return of 1.40% in United States Dollar terms.

Notable detractors in the Fund can be attributed to rising interest rates and widened credit spreads among Asia Investment grade credits. To put into perspective, the 2y-UST rose by 370 bps to 4.43%, and the JP Morgan Asia Investment Grade credit spread widened by 5 bps to 180 bps for the period under review. Notwithstanding, coupon income offset some of the negative returns.

United SGD Fund

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A) Fund Performance (continued)

The Fund adopted the key strategies of: (1) investing in fixed rate bonds of up to three years in maturity profile for portfolio yield enhancement; (2) buying Eurodollar-denominated bonds while hedging foreign currency risk and (3) moving up in quality credits while riding on rising interest rate environment.

The Fund invested 85.34% and 11.87% in corporate bonds and government securities respectively with the balance in cash and others. The Fund had a yield-to-maturity of 5.55% and effective duration of 1.15 years.

Economic and Market Review

Asia credit had a challenging year in 2022 since Global Financial Crisis. This was driven by Fed rate hikes in the **US**, ramifications from the war in **Ukraine**, **China's** adherence to Zero COVID Policy, severe and continuing downturn in the **China Property** sector and regulatory risk in **China**.

The Federal Reserve raised interest rates by a total of 425 bps to 4.25-4.5%, capping off one of the most aggressive year in the central bank's history. UST 2yr and 10y-UST closed at 4.43% (+370 bps) and 3.88% (+237 bps) respectively.

Investors skirted around credit events such as potential delisting of **China** companies in **US**, wave of **China Property** bond defaults as well as delay in financial reporting from **China** asset management companies. Despite large volatile moves throughout the year, the overall credit spread marginally changed with the JP Morgan Asia Investment Grade spread closed the year at 180 bps (+5 bps) with **China** underperformed within the region.

G3 Asia ex-Japan new issue supply plunged 53.5% to US\$160.5 billion - the lowest level since 2013. Investors shunned Chinese developers and other weak credits, while rising US Dollar borrowing costs deterred stronger issuers from the primary markets. Seasoned investment grade borrowers such as financials, agencies and sovereigns sustained the deal flow contributing to 84% of total bonds issued.

Outlook and Fund Strategy

While many of 2022 issues remain risk factors in 2023, we may usher better performance for Asia credit given expected slowdown in rate hikes and potential pause as a possibility. The stabilisation in rates will lead to stabilisation in Asian credit. All-in yield – highest since 2009 will provide sufficient margin of safety in general. Meanwhile, **China** has accelerated the country's economic and social reopening and while the path toward living with COVID and restoring normality to economic and social activities will likely be uneven and choppy, the government's direction appears set.

That said, the world is transitioning to a more challenging era where interest rates are higher and geopolitical tensions are greater. The big build-up in debt during ultra-low interest rates environment has increased the risk of potential debt blow-ups. The intensifying **US/China** rivalry and unresolved **Russia/Ukraine** war also continued to weigh against market sentiment. Finally, potential **US** recession risk remains key negative factor to watch.

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A) Fund Performance (continued)

Another tectonic shift is a steep slowdown in **China's** longer-term growth. While its economy should enjoy a bounce this year with the end of COVID Zero restrictions, there are deeper-seated difficulties with a Chinese growth model that depends heavily on excessive infrastructure spending and a bloated property sector to boost gross domestic product. Its property crisis is far from over with US\$17 billion of non-defaulted property bonds maturing this year.

With the interplay between higher level of interest rates and slower growth (or recession risks) creating a potentially wide range of outcomes, we maintain our preference for defensive positioning with a preference for quality credits with leading market shares and of systemic importance, in defensive sectors. Short-dated bonds continues to offer good carry and risk-reward and the Fund will continue to:

1. Buy fair/cheap bonds and sell/take-profit on expensive bonds based on relative value;
2. Focus on companies that have good access to capital markets and have defensive business model;
3. Invest in bonds maturing/callable/putable on rolling 3 years to enhance overall return;
4. Maintain 3-5% cash for liquidity;
5. Hedge foreign currency risk to Singapore Dollar.

Disclosures

As the Fund is in SGD and invests in non-SGD denominated securities, the Fund uses financial derivatives such as FX Forward contracts for hedging purposes. The Fund uses Commitment Approach with Netting Arrangements in determining compliance with the CIS (in respect of clause 8.4 of Appendix 1) to calculate global exposure. This is done by adding the exposure of each financial derivative (for those with and without netting arrangement) and cash collateral values in certain cases.

United SGD Fund

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

i) Country

	Fair Value (S\$)	% of NAV
Australia	12,314,268	0.70
China	384,414,595	21.93
France	33,558,806	1.91
Germany	6,166,564	0.35
Hong Kong	206,466,075	11.78
India	119,492,722	6.82
Indonesia	125,202,087	7.14
Japan	107,818,403	6.15
Luxembourg	10,649,343	0.61
Malaysia	17,368,023	0.99
Philippines	28,341,720	1.62
Saudi Arabia	38,666,287	2.21
Singapore	304,230,344	17.36
South Korea	134,007,810	7.64
Thailand	102,925,377	5.87
United Arab Emirates	62,267,403	3.55
United States	10,176,817	0.58
Accrued interest receivable on quoted bonds	<u>12,825,575</u>	<u>0.73</u>
Portfolio of investments	1,716,892,219	97.94
Other net assets/(liabilities)	<u>36,065,689</u>	<u>2.06</u>
Total	<u>1,752,957,908</u>	<u>100.00</u>

United SGD Fund

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

ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	39,037,268	2.23
Consumer Discretionary	122,982,334	7.02
Energy	71,317,642	4.07
Financials	528,070,620	30.12
Government	223,723,842	12.76
Industrials	193,347,235	11.03
Materials	167,791,832	9.57
Real Estate	151,385,746	8.64
Utilities	206,410,125	11.77
Accrued interest receivable on quoted bonds	12,825,575	0.73
Portfolio of investments	1,716,892,219	97.94
Other net assets/(liabilities)	36,065,689	2.06
Total	1,752,957,908	100.00

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted bonds	1,704,066,644	97.21
Accrued interest receivable on quoted bonds	12,825,575	0.73
Other net assets/(liabilities)	36,065,689	2.06
Total	1,752,957,908	100.00

United SGD Fund

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

iv) Credit rating of quoted bonds by Moody’s

	Fair Value (S\$)	% of NAV
A1	74,139,548	4.23
A2	163,739,366	9.35
A3	100,869,857	5.75
Aaa	149,315,941	8.51
Baa1	214,933,917	12.26
Baa2	320,669,990	18.28
Baa3	204,250,725	11.65
Non-rated	476,147,300	27.18
Accrued interest receivable on quoted bonds	<u>12,825,575</u>	<u>0.73</u>
Total	<u><u>1,716,892,219</u></u>	<u><u>97.94</u></u>

United SGD Fund

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C) Top Ten Holdings

10 largest holdings as at 31 December 2022

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MIZUHO FINANCIAL GROUP CAYMAN 3 COMPANY GUARANT REGS 03/24 4.6	42,629,669	2.43
SUMITOMO MITSUI FINANCIAL SUBORDINATED REGS 04/24 4.436	39,575,585	2.26
BANK RAKYAT INDONESIA PERSERO SR UNSECURED REGS 07/23 4.625	38,373,336	2.19
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	37,231,819	2.12
CHINA HUADIAN OVERSEAS COMPANY GUARANT REGS VAR	34,375,424	1.96
CNAC HK FINBRIDGE CO LTD COMPANY GUARANT REGS 03/23 4.625	33,476,184	1.91
BANK OF CHINA SUBORDINATED REGS 11/24 5	33,363,331	1.90
WOORI BANK SUBORDINATED REGS 04/24 4.75	33,008,273	1.88
MAF GLOBAL SECURITIES COMPANY GUARANT REGS 05/24 4.75	32,964,833	1.88
STATE BANK INDIA/LONDON SR UNSECURED REGS 04/24 4.875	32,848,998	1.88

United SGD Fund

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C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
INDONESIA ASAHAN ALUMINIUM SR UNSECURED REGS 11/23 5.71	50,651,950	1.85
SSG RESOURCES LTD SR SECURED REGS 10/22 4.25	47,620,912	1.74
MIZUHO FINANCIAL GROUP CAYMAN 3 COMPANY GUARANT REGS 03/24 4.6	46,356,131	1.69
WOORI BANK SUBORDINATED REGS 04/24 4.75	43,414,075	1.58
HANA BANK SUBORDINATED REGS 10/24 4.25	43,298,375	1.58
SUMITOMO MITSUI FINANCIAL SUBORDINATED REGS 04/24 4.436	42,935,938	1.57
BANK RAKYAT INDONESIA PERSERO SR UNSECURED REGS 07/23 4.625	41,008,960	1.50
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	38,590,504	1.41
CHINA HUADIAN OVERSEAS COMPANY GUARANT REGS VAR	36,935,718	1.35
BANK OF CHINA SUBORDINATED REGS 11/24 5	36,788,450	1.34

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D) Exposure to derivatives

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

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

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

	Contract or underlying principal amount	Positive fair value	% of NAV	Negative fair value	% of NAV
	\$	\$		\$	
Foreign currency contracts	1,737,244,096	10,938,078	0.62	5,515,931	0.31

- ii) There was a net realised loss of SGD 4,896,014 on derivative contracts during the financial year ended 31 December 2022.
- iii) There was a net unrealised gain of SGD 5,422,147 on outstanding derivative contracts marked to market as at 31 December 2022.

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

N/A

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

N/A

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

Total amount of redemptions	SGD 1,433,780,158
Total amount of subscriptions	SGD 518,933,525

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

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

I) Expense ratios

Please refer to Note 11 of the Notes to the Financial Statements.

J) Turnover ratios

Please refer to Note 11 of the Notes to the Financial Statements.

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

N/A

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

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2022 and 31 December 2021

N/A

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

N/A

iii) Turnover ratios for the financial year ended 31 December 2022 and 31 December 2021

N/A

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

M) Soft dollar commissions/arrangements

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

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

N/A

United Choice Portfolios II
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REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of the sub-fund of United Choice Portfolios II, namely United SGD Fund (the "Sub-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 Sub-Fund during the financial year covered by these financial statements, set out on pages 22 to 71, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory
24 March 2023

United Choice Portfolios II
(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 22 to 71, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the sub-fund of United Choice Portfolios II, namely United SGD Fund (the "Sub-Fund") as at 31 December 2022, and the financial performance and movements of unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

THIO BOON KIAT
Authorised signatory
24 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II

Our Opinion

In our opinion, the accompanying financial statements of the sub-fund of United Choice Portfolios II, namely United SGD Fund (the "Sub-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 Sub-Fund as at 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Sub-Fund comprise:

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

Basis for Opinion

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II

Other Information

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for 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 Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Sub-Fund or to cease the Sub-Fund's operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-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 Sub-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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SUB-FUND OF UNITED CHOICE PORTFOLIOS II

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

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

	Note	United SGD Fund	
		2022	2021
		\$	\$
Income			
Interest		78,943	-
Other income		<u>326,456</u>	<u>165,071</u>
Total		<u>405,399</u>	<u>165,071</u>
Less: Expenses			
Management fee	10	12,925,579	16,092,741
Audit fee		24,824	24,429
Registrar fee	10	59,999	59,999
Valuation fee	10	11,000	11,000
Custody fee	10	264,386	339,835
Other expenses		<u>140,462</u>	<u>528,329</u>
Total		<u>13,426,250</u>	<u>17,056,333</u>
Net income/(losses)		<u>(13,020,851)</u>	<u>(16,891,262)</u>
Net gains/(losses) on value of investments and financial derivatives			
Net gains/(losses) on investments		(38,679,513)	52,985,964
Net gains/(losses) on financial derivatives		526,133	(23,312,604)
Net foreign exchange gains/(losses)		<u>(1,965,760)</u>	<u>(885,751)</u>
		<u>(40,119,140)</u>	<u>28,787,609</u>
Total return/(deficit) for the financial year before income tax		(53,139,991)	11,896,347
Less: Income tax	3	<u>-</u>	<u>(1,683)</u>
Total return/(deficit) for the financial year		<u>(53,139,991)</u>	<u>11,894,664</u>

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	United SGD Fund	
		2022	2021
		\$	\$
Assets			
Portfolio of investments		1,716,892,219	2,715,910,148
Receivables	5	2,085,014	4,347,419
Cash and bank balances		35,047,413	27,609,786
Financial derivatives at fair value	7	<u>10,938,078</u>	<u>8,156,996</u>
Total assets		<u>1,764,962,724</u>	<u>2,756,024,349</u>
Liabilities			
Payables	6	4,317,708	6,630,101
Distribution payable	4	2,171,177	3,261,661
Financial derivatives at fair value	7	<u>5,515,931</u>	<u>8,767,908</u>
Total liabilities		<u>12,004,816</u>	<u>18,659,670</u>
Equity			
Net assets attributable to unitholders	8	<u>1,752,957,908</u>	<u>2,737,364,679</u>

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	United SGD Fund	
		2022	2021
		\$	\$
Net assets attributable to unitholders at the beginning of the financial year		2,737,364,679	2,233,927,406
Operations			
Change in net assets attributable to unitholders resulting from operations		(53,139,991)	11,894,664
Unitholders' contributions/(withdrawals)			
Creation of units		518,933,525	1,902,222,064
Cancellation of units		(1,433,780,158)	(1,386,723,151)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(914,846,633)	515,498,913
Distributions	4	(16,420,147)	(23,956,304)
Total increase/(decrease) in net assets attributable to unitholders		<u>(984,406,771)</u>	<u>503,437,273</u>
Net assets attributable to unitholders at the end of the financial year	8	<u>1,752,957,908</u>	<u>2,737,364,679</u>

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		Percentage of total net assets attributable to unitholders at
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	31 December 2022 %
By Geography - Primary			
Quoted bonds			
AUSTRALIA			
WESTPAC BANKING CORP SUBORDINATED 02/30 VAR	10,000,000	12,314,268	0.70
CHINA			
ALIBABA GROUP HOLDING SR UNSECURED 11/24 3.6	15,000,000	19,470,358	1.11
AZURE ORBIT IV INTERNATIONAL FINANCE COMPANY GUARANT REGS 01/23 3.75	4,000,000	5,358,416	0.31
BAIC FINANCE INVESTMENT CO LTD COMPANY GUARANT REGS 03/24 2	24,900,000	31,820,262	1.82
BANK OF CHINA SUBORDINATED REGS 11/24 5	25,000,000	33,363,331	1.90
BEIJING GAS SG CAPITAL COMPANY GUARANT REGS 01/25 1.875	14,800,000	18,546,723	1.06
CHALCO HK INVESTMENT COMPANY GUARANT REGS 07/24 1.55	18,800,000	23,769,387	1.36
CHINA HUADIAN OVERSEAS COMPANY GUARANT REGS VAR	26,220,000	34,375,424	1.96
CHINALCO CAPITAL HOLDING COMPANY GUARANT REGS VAR	9,383,000	12,283,681	0.70
CN HUANENG GP HK TREASURY COMPANY GUARANT REGS 12/99 VAR	23,400,000	30,599,478	1.75
COASTAL EMERALD LTD COMPANY GUARANT REGS 06/25 4.1	5,000,000	6,421,702	0.37
DIANJIAN INTERNATIONAL FINANCE LTD COMPANY GUARANT REGS 12/99 VAR	7,000,000	9,374,317	0.53
GANSU HIGHWAY AVIATION SR UNSECURED REGS 11/23 3.25	12,000,000	14,806,849	0.84

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted bonds			
CHINA (continued)			
GEELY AUTOMOBILE SR UNSECURED REGS 12/99 VAR	16,102,000	19,653,046	1.12
LEADER GOAL INTERNATIONAL LTD COMPANY GUARANT REGS 12/99 VAR	7,500,000	10,053,972	0.57
MINMETALS BOUNTEOUS FINANCE COMPANY GUARANT REGS VAR	18,500,000	23,881,742	1.36
SEPCO VIRGIN LTD COMPANY GUARANT REGS VAR	3,500,000	4,525,098	0.26
SF HOLDING INVESTMENT COMPANY GUARANT REGS 07/23 4.125	9,758,000	12,997,061	0.74
SHOUGANG GROUP CO LTD SR UNSECURED REGS 05/24 4	17,089,000	22,432,951	1.28
UHI CAPITAL COMPANY GUARANT REGS 06/24 3	15,251,000	19,773,604	1.13
VIGOROUS CHAMPION INTERNATIONAL LTD COMPANY GUARANT REGS 05/24 3.625	7,400,000	9,652,988	0.55
VIGOROUS CHAMPION INTERNATIONAL LTD COMPANY GUARANT REGS 09/23 4.375	16,000,000	<u>21,254,205</u>	<u>1.21</u>
TOTAL CHINA		<u>384,414,595</u>	<u>21.93</u>
FRANCE			
CREDIT AGRICOLE LONDON SR UNSECURED REGS 10/24 3.25	9,000,000	11,631,834	0.66
SOCIETE GENERALE SR UNSECURED REGS 10/24 2.625	17,256,000	<u>21,926,972</u>	<u>1.25</u>
TOTAL FRANCE		<u>33,558,806</u>	<u>1.91</u>

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

United Choice Portfolios II

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		Percentage of total net assets attributable to unitholders at
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	31 December 2022 %
By Geography - Primary (continued)			
Quoted bonds			
GERMANY			
DEUTSCHE BANK AG SR UNSECURED REGS 09/26 VAR	6,250,000	6,166,564	0.35
HONG KONG			
CLP POWER HK FINANCING COMPANY GUARANT REGS 04/23 2.875	12,000,000	16,002,903	0.91
CNAC HK FINBRIDGE CO LTD COMPANY GUARANT REGS 03/23 4.625	25,000,000	33,476,184	1.91
GOODMAN HK FINANCE COMPANY GUARANT REGS 06/24 4.375	17,760,000	23,293,939	1.33
HERO ASIA INVESTMENT LTD SR UNSECURED REGS 11/23 1.5	25,000,000	32,447,484	1.85
HPHT FINANCE 19 LTD COMPANY GUARANT REGS 11/24 2.875	19,490,000	24,970,764	1.43
KING POWER CAPITAL LTD COMPANY GUARANT REGS 11/24 5.625	19,047,000	25,659,388	1.46
MCC HOLDING HK CORP LTD COMPANY GUARANT REGS 12/99 VAR	20,000,000	25,952,220	1.48
PCCW-HKT CAPITAL NO.5 LTD COMPANY GUARANT REGS 03/23 3.75	10,000,000	13,377,880	0.76
WHARF REIC FINANCE BVI COMPANY GUARANT REGS 09/24 2.5	8,800,000	11,285,313	0.65
TOTAL HONG KONG		206,466,075	11.78
INDIA			
EXPORT-IMPORT BANK INDIA SR UNSECURED REGS 03/24 3.875	20,000,000	26,294,494	1.50

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		Percentage of total net assets attributable to unitholders at
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	31 December 2022 %
By Geography - Primary (continued)			
Quoted bonds			
INDIA (continued)			
INDIAN RAILWAY FINANCE SR UNSECURED REGS 03/24 3.73	11,900,000	15,578,510	0.89
NTPC LTD SR UNSECURED REGS 11/24 4.375	23,118,000	30,207,842	1.72
REC LIMITED SR UNSECURED REGS 07/24 3.375	11,317,000	14,562,878	0.83
STATE BANK INDIA/LONDON SR UNSECURED REGS 04/24 4.875	24,640,000	32,848,998	1.88
TOTAL INDIA		119,492,722	6.82
INDONESIA			
BANK MANDIRI PT SR UNSECURED REGS 04/24 3.75	15,000,000	19,718,255	1.12
BANK RAKYAT INDONESIA PERSERO SR UNSECURED REGS 07/23 4.625	28,697,000	38,373,336	2.19
BANK RAKYAT INDONESIA SR UNSECURED REGS 03/24 3.95	11,210,000	14,762,120	0.84
PELABUHAN INDONESIA PERSERO SR UNSECURED REGS 05/25 4.25	19,500,000	25,280,138	1.44
PELABUHAN INDONESIA PERSERO SR UNSECURED REGS 10/24 4.875	10,000,000	13,260,914	0.76
PERUSAHAAN GAS NEGARA SR UNSECURED REGS 05/24 5.125	10,362,000	13,807,324	0.79
TOTAL INDONESIA		125,202,087	7.14

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted bonds			
JAPAN			
MIZUHO FINANCIAL GROUP CAYMAN 3 COMPANY GUARANT REGS 03/24 4.6	32,340,000	42,629,669	2.43
SUMITOMO LIFE INSURANCE SUBORDINATED REGS 09/73 VAR	19,200,000	25,613,149	1.46
SUMITOMO MITSUI FINANCIAL SUBORDINATED REGS 04/24 4.436	30,000,000	<u>39,575,585</u>	<u>2.26</u>
TOTAL JAPAN		<u>107,818,403</u>	<u>6.15</u>
LUXEMBOURG			
SPIC LUX LATAM RENEWABLE ENERGY COMPANY GUARANT REGS 10/23 4.65	8,000,000	10,649,343	0.61
MALAYSIA			
MISC CAPITAL TWO LABUAN COMPANY GUARANT REGS 04/25 3.625	13,600,000	17,368,023	0.99
PHILIPPINES			
BDO UNIBANK INC SR UNSECURED REGS 03/23 2.95	10,667,000	14,195,347	0.81
RIZAL COMMERCIAL BANKING SR UNSECURED REGS 09/24 3	11,117,000	<u>14,146,373</u>	<u>0.81</u>
TOTAL PHILIPPINES		<u>28,341,720</u>	<u>1.62</u>
SAUDI ARABIA			
SA GLOBAL SUKUK LTD SR UNSECURED REGS 06/24 0.946	10,000,000	12,629,893	0.72

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

United Choice Portfolios II

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		Percentage of total net assets attributable to unitholders at 31 December 2022 %
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	
By Geography - Primary (continued)			
Quoted bonds			
SAUDI ARABIA (continued)			
SAUDI ARABIAN OIL CO SR UNSECURED REGS 04/24 2.875	20,000,000	<u>26,036,394</u>	<u>1.49</u>
TOTAL SAUDI ARABIA		<u>38,666,287</u>	<u>2.21</u>
SINGAPORE			
ASCOTT REIT MTN PTE LTD COMPANY GUARANT REGS 12/24 2.75	8,000,000	10,717,828	0.61
CDL PROPERTIES LTD SR SECURED REGS 05/24 2.958	10,000,000	9,725,145	0.56
CITY DEVELOPMENTS LTD SR UNSECURED REGS 01/24 3	25,000,000	24,523,792	1.40
DBS GROUP HOLDINGS LTD SUBORDINATED REGS 12/28 VAR	3,060,000	4,062,415	0.23
ESR LOGOS REIT SR UNSECURED REGS 05/23 3.95	5,000,000	4,970,657	0.28
KEPPEL CORP LTD SR UNSECURED REGS 06/25 2.459	17,000,000	20,999,396	1.20
MAS BILLS 06/01/23 0.00000	20,000,000	19,990,852	1.14
MAS BILLS 13/01/23 0.00000	20,000,000	19,974,735	1.14
MAS BILLS 17/03/23 0.00000	25,000,000	24,779,655	1.41
MAS BILLS 20/01/23 0.00000	25,000,000	24,948,105	1.42
MAS BILLS 24/03/23 0.00000	30,000,000	29,709,444	1.70
MAS BILLS 27/01/23 0.00000	30,000,000	29,913,150	1.71
OVERSEA-CHINESE BANKING SUBORDINATED REGS 06/24 4.25	15,687,000	20,795,949	1.19
PRIME ASSET HOLDINGS LTD SR SECURED REGS 10/24 2.9	6,250,000	6,087,184	0.35

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography - Primary (continued)			
Quoted bonds			
SINGAPORE (continued)			
SINGAPORE AIRLINES LTD SR UNSECURED REGS 10/23 3.16	25,500,000	25,214,982	1.44
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 05/23 3.4	18,000,000	17,928,366	1.02
SUNTEC REIT MTN PTE LTD COMPANY GUARANT REGS 08/23 2.85	10,000,000	<u>9,888,689</u>	<u>0.56</u>
TOTAL SINGAPORE		<u>304,230,344</u>	<u>17.36</u>
SOUTH KOREA			
GS CALTEX CORP SR UNSECURED REGS 01/26 4.5	15,000,000	19,328,551	1.10
HANA BANK SUBORDINATED REGS 10/24 4.25	25,000,000	32,630,117	1.86
KB KOOKMIN CARD CO LTD SR UNSECURED REGS 06/25 4	18,000,000	23,045,202	1.32
POSCO SR UNSECURED REGS 08/25 4.375	20,000,000	25,995,667	1.48
WOORI BANK SUBORDINATED REGS 04/24 4.75	25,000,000	<u>33,008,273</u>	<u>1.88</u>
TOTAL SOUTH KOREA		<u>134,007,810</u>	<u>7.64</u>
THAILAND			
BANGKOK BANK PCL/HK SR UNSECURED REGS 03/24 4.05	15,000,000	19,835,857	1.13
EXPORT-IMPORT BANK OF THAILND SR UNSECURED REGS 10/25 1.457	27,043,000	32,534,897	1.86
MINOR INTERNATIONAL PCL BANK GUARANT REGS 12/99 VAR	28,200,000	37,231,819	2.12

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

United Choice Portfolios II

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund		Percentage of total net assets attributable to unitholders at
	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	31 December 2022 %
By Geography - Primary (continued)			
Quoted bonds			
THAILAND (continued)			
THAI OIL TREASURY CENTER COMPANY GUARANT REGS 01/23 3.625	9,943,000	13,322,804	0.76
TOTAL THAILAND		102,925,377	5.87
UNITED ARAB EMIRATES			
DP WORLD CRESCENT LTD SR UNSECURED REGS 05/23 3.908	22,000,000	29,302,570	1.67
MAF GLOBAL SECURITIES COMPANY GUARANT REGS 05/24 4.75	24,868,000	32,964,833	1.88
TOTAL UNITED ARAB EMIRATES		62,267,403	3.55
UNITED STATES			
BOC AVIATION USA CORP COMPANY GUARANT REGS 04/24 1.625 ISIN US66980Q2A49	8,000,000	10,176,817	0.58
Accrued interest receivable on quoted bonds		12,825,575	0.73
Total Bonds		1,716,892,219	97.94
Portfolio of investments		1,716,892,219	97.94
Other net assets/(liabilities)		36,065,689	2.06
Net assets attributable to unitholders		1,752,957,908	100.00

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	United SGD Fund	
	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (Summary)		
Quoted bonds and unit trusts		
Australia	0.70	0.13
China	21.93	21.02
France	1.91	0.87
Germany	0.35	-
Hong Kong	11.78	9.65
India	6.82	3.87
Indonesia	7.14	4.71
Japan	6.15	5.30
Luxembourg	0.61	0.36
Malaysia	0.99	1.74
Philippines	1.62	0.56
Qatar	-	2.36
Saudi Arabia	2.21	2.23
Singapore	17.36	35.22
South Korea	7.64	5.62
Thailand	5.87	2.07
United Arab Emirates	3.55	2.46
United States	0.58	0.39
Accrued interest receivable on quoted bonds	0.73	0.66
Portfolio of investments	97.94	99.22
Other net assets/(liabilities)	2.06	0.78
Net assets attributable to unitholders	100.00	100.00

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

United Choice Portfolios II
(Constituted under a Trust Deed in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2022

	Fair value at 31 December 2022 \$	United SGD Fund Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Industry - Secondary			
Quoted bonds and unit trusts			
Communication Services	39,037,268	2.23	1.75
Consumer Discretionary	122,982,334	7.02	3.45
Energy	71,317,642	4.07	2.84
Financials	528,070,620	30.12	26.72
Government	223,723,842	12.76	12.03
Industrials	193,347,235	11.03	10.99
Materials	167,791,832	9.57	8.02
Real Estate	151,385,746	8.64	23.62
Unit Trusts	-	-	1.15
Utilities	206,410,125	11.77	7.99
Accrued interest receivable on quoted bonds	12,825,575	0.73	0.66
Portfolio of investments	1,716,892,219	97.94	99.22
Other net assets/(liabilities)	36,065,689	2.06	0.78
Net assets attributable to unitholders	1,752,957,908	100.00	100.00

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

United Choice Portfolios II

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1 General

United Choice Portfolios II (the “Fund”) is a Singapore-registered umbrella fund, which offers one sub-fund, namely United SGD Fund (the “Sub-Fund”). The Sub-Fund is constituted under a Trust Deed in Singapore between UOB Asset Management Ltd (the “Manager”) and State Street Trust (SG) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

The investment objective of the Sub-Fund is to invest substantially all its assets in money market and short term interest bearing debt instruments and bank deposits with the objective of achieving a yield enhancement over Singapore Dollar deposits.

The Sub-Fund offers the following classes of units for subscription:

- Class A (Acc) SGD
- Class A (Dist) SGD
- Class A (Acc) USD (Hedged)
- Class A (Dist) USD (Hedged)
- Class B (Acc) SGD
- Class D SGD Acc
- Class S (Dist) SGD
- Class S (Dist) USD (Hedged)
- Class U SGD Dist

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

“Dist” refers to Distribution classes which declare and pay distributions in accordance with the applicable distribution policies of the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1 General (continued)

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.

Class B (Acc) SGD units are available for subscription only by institutional clients and such other persons as the Manager may determine in their sole discretion from time to time.

Class A, Class B, Class D and Class S units are subject to management fee of 0.63%, 0.33%, 0.33% and 0.63% per annum respectively.

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

As at 31 December 2022, the Sub-Fund has issued Class A (Acc) SGD, Class A (Dist) SGD, Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class B (Acc) SGD, Class D SGD Acc, Class S (Dist) SGD and Class S (Dist) USD (Hedged) units.

2 Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as 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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

(c) Investments (continued)

(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 market mid prices for the quoted debt securities on the financial year end date. Accrued interest or discount or premium on debt securities at financial year end date is included in the fair value of debt securities. Interest income on debt securities is presented within "Net gains/losses on investments" on the Statement of Total Return.

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

(e) Foreign currency translation

(i) Functional and presentation currency

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

(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".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

(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) Cash and bank balances

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

(h) Payables

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

(i) 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.

(j) Distributions

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

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2 Significant accounting policies (continued)

(k) 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 Sub-Fund or the counterparty.

(l) Structured entities

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

The Sub-Fund considers its investments in another fund (“Investee Fund”) to be investments in unconsolidated structured entities. The Sub-Fund invests in an Investee Fund whose objective is to provide a return which is comparable to that of Singapore dollar short-term deposits. The Investee Fund is managed by related asset managers and the Investee Fund applies various investment strategies to accomplish its investment objective. The Investee Fund finances its operations by issuing redeemable shares which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The Sub-Fund holds redeemable shares in the Investee Fund.

The change in fair value of the Investee Fund is included in the Statement of Total Return within “Net gains/losses on investments”.

3 Income tax

	United SGD Fund	
	2022	2021
	\$	\$
Singapore income tax	-	1,683

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For the financial year ended 31 December 2022

3 Income tax (continued)

The Trustee of the Sub-Fund has assessed and is satisfied that the Sub-Fund has met the requisite conditions under the Designated Unit Trust (“DUT”) Scheme for the current financial year. The Trustee of the Sub-Fund will ensure that the Sub-Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 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 Sub-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 Sub-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 reporting period. 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 Sub-Fund. Therefore when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4 Distributions

	United SGD Fund					
	2022			2021		
Per 100 units	Amount	Amount	Per 100 units	Amount	Amount	
Class	Class	\$	Class	Class	Class	\$
currency	currency		currency	currency	currency	
Class A (Dist) SGD						
March interim distribution on units outstanding as at 1 April 2022 (2021: 1 April 2021)	0.486	1,550,733	1,550,733	0.635	2,287,101	2,287,101
June interim distribution on units outstanding as at 1 July 2022 (2021: 1 July 2021)	0.482	1,429,717	1,429,717	0.631	2,379,752	2,379,752
September interim distribution on units outstanding as at 3 October 2022 (2021: 1 October 2021)	0.476	1,308,174	1,308,174	0.565	1,934,755	1,934,755
December final distribution on units outstanding as at 3 January 2023 (2021: 3 January 2022)	0.477	1,223,065	1,223,065	0.560	1,857,859	<u>1,857,859</u>
			<u>5,511,689</u>			<u>8,459,467</u>
Class A (Dist) USD (Hedged)						
March interim distribution on units outstanding as at 1 April 2022 (2021: 1 April 2021)	0.487	161,106	218,033	0.639	266,488	358,053
June interim distribution on units outstanding as at 1 July 2022 (2021: 1 July 2021)	0.484	146,352	203,678	0.634	212,786	286,027
September interim distribution on units outstanding as at 3 October 2022 (2021: 1 October 2021)	0.478	149,606	214,669	0.568	211,666	287,357
December final distribution on units outstanding as at 3 January 2023 (2021: 3 January 2022)	0.479	153,105	205,344	0.562	209,905	<u>282,983</u>
			<u>841,724</u>			<u>1,214,420</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4 Distributions (continued)

	United SGD Fund					
	2022			2021		
Per 100 units	Amount	Amount	Per 100 units	Amount	Amount	Amount
Class	Class	\$	Class	Class	Class	\$
currency	currency		currency	currency	currency	
Class S (Dist) SGD						
January interim distribution on units outstanding as at 3 February 2022 (2021: 1 February 2021)	0.198	582,380	582,380	0.246	678,341	678,341
February interim distribution on units outstanding as at 1 March 2022 (2021: 1 March 2021)	0.197	563,521	563,521	0.246	715,366	715,366
March interim distribution on units outstanding as at 1 April 2022 (2021: 1 April 2021)	0.195	538,831	538,831	0.245	828,404	828,404
April interim distribution on units outstanding as at 4 May 2022 (2021: 3 May 2021)	0.194	512,373	512,373	0.244	857,475	857,475
May interim distribution on units outstanding as at 1 June 2022 (2021: 1 June 2021)	0.194	449,969	449,969	0.244	926,933	926,933
June interim distribution on units outstanding as at 1 July 2022 (2021: 1 July 2021)	0.193	431,922	431,922	0.243	927,089	927,089
July interim distribution on units outstanding as at 1 August 2022 (2021: 2 August 2021)	0.231	509,202	509,202	0.223	838,688	838,688
August interim distribution on units outstanding as at 1 September 2022 (2021: 1 September 2021)	0.230	492,126	492,126	0.223	807,899	807,899
September interim distribution on units outstanding as at 3 October 2022 (2021: 1 October 2021)	0.228	479,359	479,359	0.222	767,783	767,783
October interim distribution on units outstanding as at 1 November 2022 (2021: 1 November 2021)	0.226	444,613	444,613	0.221	725,264	725,264
November interim distribution on units outstanding as at 1 December 2022 (2021: 1 December 2021)	0.227	426,688	426,688	0.220	703,932	703,932

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4 Distributions (continued)

	United SGD Fund					
	2022	2022		2021		
Per 100 units Class currency	Amount Class currency	Amount	Amount	Per 100 units Class currency	Amount Class currency	Amount
		\$	\$			\$
December final distribution on units outstanding as at 3 January 2023 (2021: 3 January 2022)	0.228	423,071	<u>423,071</u>	0.220	688,526	<u>688,526</u>
			<u>5,854,055</u>			<u>9,465,700</u>

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4 Distributions (continued)

	United SGD Fund					
	2022	2022		2021		
Per 100 units Class currency	Amount Class currency	Amount Class currency	Amount Class currency	Per 100 units Class currency	Amount Class currency	Amount Class currency
			\$			\$
Class S (Dist) USD (Hedged)						
January interim distribution on units outstanding as at 3 February 2022 (2021: 1 February 2021)	0.199	280,272	378,969	0.247	262,533	348,408
February interim distribution on units outstanding as at 1 March 2022 (2021: 1 March 2021)	0.198	272,193	369,489	0.247	253,004	336,420
March interim distribution on units outstanding as at 1 April 2022 (2021: 1 April 2021)	0.195	254,646	344,625	0.246	258,884	347,836
April interim distribution on units outstanding as at 4 May 2022 (2021: 3 May 2021)	0.194	252,896	349,223	0.245	262,377	349,067
May interim distribution on units outstanding as at 1 June 2022 (2021: 1 June 2021)	0.194	250,432	343,317	0.245	264,586	349,505
June interim distribution on units outstanding as at 1 July 2022 (2021: 1 July 2021)	0.193	223,576	311,151	0.244	254,954	342,709
July interim distribution on units outstanding as at 1 August 2022 (2021: 2 August 2021)	0.232	269,900	373,245	0.223	344,125	465,979
August interim distribution on units outstanding as at 1 September 2022 (2021: 1 September 2021)	0.231	268,754	374,939	0.223	341,117	458,836
September interim distribution on units outstanding as at 3 October 2022 (2021: 1 October 2021)	0.229	263,375	377,917	0.223	340,495	462,256
October interim distribution on units outstanding as at 1 November 2022 (2021: 1 November 2021)	0.227	243,495	344,570	0.221	340,038	458,542
November interim distribution on units outstanding as at 1 December 2022 (2021: 1 December 2021)	0.228	237,566	325,537	0.221	339,034	464,866

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4 Distributions (continued)

	United SGD Fund					
	2022			2021		
	Per 100 units Class currency	Amount Class currency	Amount \$	Per 100 units Class currency	Amount Class currency	Amount \$
December final distribution on units outstanding as at 3 January 2023 (2021: 3 January 2022)	0.229	238,366	<u>319,697</u>	0.220	320,656	<u>432,293</u>
			<u>4,212,679</u>			<u>4,816,717</u>
			<u>16,420,147</u>			<u>23,956,304</u>

5 Receivables

	United SGD Fund	
	2022	2021
	\$	\$
Amounts receivable for creation of units	1,657,351	3,547,205
Other receivables	<u>427,663</u>	<u>800,214</u>
	<u>2,085,014</u>	<u>4,347,419</u>

6 Payables

	United SGD Fund	
	2022	2021
	\$	\$
Amounts payable for cancellation of units	1,526,742	2,156,226
Amount due to the Manager	2,690,942	4,239,489
Other creditors and accrued expenses	<u>100,024</u>	<u>234,386</u>
	<u>4,317,708</u>	<u>6,630,101</u>

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7 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.

	United SGD Fund 2022		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	1,737,244,096	10,938,078	5,515,931
		2021	
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Foreign currency contracts	2,754,409,877	8,156,996	8,767,908

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8 Units in issue

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

	United SGD Fund			
	Class A (Acc) SGD		Class A (Dist) SGD	
	2022	2021	2022	2021
Units at the beginning of the financial year	569,284,975	519,395,150	331,946,104	326,046,840
Units created	186,708,417	463,975,715	42,584,232	121,637,698
Units cancelled	(311,530,726)	(414,085,890)	(117,853,565)	(115,738,434)
Units at the end of the financial year	<u>444,462,666</u>	<u>569,284,975</u>	<u>256,676,771</u>	<u>331,946,104</u>
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	865,210,921	1,134,248,208	243,433,167	328,711,056
Net assets value per unit (SGD equivalent)	1.946	1.992	0.948	0.990
Net assets attributable to unitholders (Class Currency)	865,210,921	1,134,248,208	243,433,167	328,711,056
Net assets value per unit (Class Currency)	1.946	1.992	0.948	0.990

United Choice Portfolios II
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For the financial year ended 31 December 2022

8 Units in issue (continued)

	United SGD Fund			
	Class A (Acc) USD (Hedged)	Class A (Dist) USD (Hedged)	Class A (Acc) USD (Hedged)	Class A (Dist) USD (Hedged)
	2022	2021	2022	2021
Units at the beginning of the financial year	273,285,508	178,339,559	37,353,804	44,822,007
Units created	48,472,679	201,681,408	7,576,665	12,013,744
Units cancelled	(269,113,620)	(106,735,459)	(12,967,072)	(19,481,947)
Units at the end of the financial year	<u>52,644,567</u>	<u>273,285,508</u>	<u>31,963,397</u>	<u>37,353,804</u>
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	79,071,124	422,466,553	40,891,918	50,037,745
Net assets value per unit (SGD equivalent)	1.501	1.545	1.279	1.339
Net assets attributable to unitholders (Class Currency)	58,955,506	313,367,617	30,489,053	37,115,859
Net assets value per unit (Class Currency)	1.119	1.146	0.953	0.993

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8 Units in issue (continued)

	United SGD Fund		
	Class B (Acc) SGD	Class D SGD	
	2022	2021	2022
Units at the beginning of the financial year	248,113,690	122,065,309	-
Units created	9,852,123	194,602,071	343,446
Units cancelled	(74,268,697)	(68,553,690)	(105,802)
Units at the end of the financial year	<u>183,697,116</u>	<u>248,113,690</u>	<u>237,644</u>
	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	227,663,829	313,698,555	237,327
Net assets value per unit (SGD equivalent)	1.239	1.264	0.998
Net assets attributable to unitholders (Class Currency)	227,663,829	313,698,555	237,327
Net assets value per unit (Class Currency)	1.239	1.264	0.998

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8 Units in issue (continued)

	United SGD Fund			
	Class S (Dist) SGD 2022	2021	Class S (Dist) USD (Hedged) 2022	2021
Units at the beginning of the financial year	313,574,937	263,582,842	145,731,622	97,983,430
Units created	9,466,998	168,357,044	3,963,896	88,295,661
Units cancelled	(137,280,635)	(118,364,949)	(45,491,628)	(40,547,469)
Units at the end of the financial year	<u>185,761,300</u>	<u>313,574,937</u>	<u>104,203,890</u>	<u>145,731,622</u>
	\$	\$	\$	\$
Net assets attributable to unitholders (SGD equivalent)	168,862,608	299,842,845	127,587,014	188,359,717
Net assets value per unit (SGD equivalent)	0.909	0.956	1.224	1.292
Net assets attributable to unitholders (Class Currency)	168,862,608	299,842,845	95,128,999	139,717,181
Net assets value per unit (Class Currency)	0.909	0.956	0.912	0.958

* Current year disclosure for Class D SGD Acc is covering the period from 11 April 2022 (date of inception) to 31 December 2022.

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, for the purpose of determining the accounting net asset values in the financial statements.

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8 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:

	United SGD Fund			
	Class A (Acc) SGD		Class A (Dist) SGD	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	1.946	1.992	0.948	0.990
Effect of distribution payable	<u>-</u>	<u>-</u>	<u>0.005</u>	<u>0.005</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u>1.946</u>	<u>1.992</u>	<u>0.953</u>	<u>0.995</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u>1.946</u>	<u>1.992</u>	<u>0.953</u>	<u>0.995</u>

	United SGD Fund			
	Class A (Acc) USD (Hedged)		Class A (Dist) USD (Hedged)	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	1.501	1.545	1.279	1.339
Effect of distribution payable	<u>-</u>	<u>-</u>	<u>0.006</u>	<u>0.008</u>
Net assets attributable to unitholders for issuing/redeeming per unit	<u>1.501</u>	<u>1.545</u>	<u>1.285</u>	<u>1.347</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	<u>1.119</u>	<u>1.146</u>	<u>0.958</u>	<u>0.999</u>

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8 Units in issue (continued)

	United SGD Fund		
	Class B (Acc) SGD		Class D SGD
	2022	2021	Acc* 2022
	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	1.239	1.264	0.998
Effect of distribution payable	<u>-</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders for issuing/redeeming per unit	1.239	<u>1.264</u>	0.998
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	1.239	<u>1.264</u>	0.998

	United SGD Fund			
	Class S (Dist) SGD		Class S (Dist) USD (Hedged)	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net assets attributable to unitholders per financial statements per unit	0.909	0.956	1.224	1.292
Effect of distribution payable	<u>0.002</u>	<u>0.002</u>	<u>0.003</u>	<u>0.003</u>
Net assets attributable to unitholders for issuing/redeeming per unit	0.911	<u>0.958</u>	1.227	<u>1.295</u>
Net assets attributable to unitholders for issuing/redeeming per unit (Class Currency)	0.911	<u>0.958</u>	0.915	<u>0.960</u>

* Current year disclosure for Class D SGD Acc is covering the period from 11 April 2022 (date of inception) to 31 December 2022.

9 Financial risk management

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

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9 Financial risk management (continued)

The Sub-Fund's assets principally consist of financial instruments such as fixed interest investments, investments in open-ended collective investment schemes which are also managed by the Manager and cash. They are held in accordance with the published investment policies of the Sub-Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve its investment objectives.

(a) Market risk

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

(i) Foreign exchange risk

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

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9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

United SGD Fund

As at 31 December 2022

	SGD \$	USD \$	EUR \$	Total \$
Assets				
Portfolio of investments	254,729,441	1,451,433,734	10,729,044	1,716,892,219
Receivables	1,993,986	91,028	-	2,085,014
Cash and bank balances	<u>2,148,235</u>	<u>32,897,762</u>	<u>1,416</u>	<u>35,047,413</u>
Total Assets	<u>258,871,662</u>	<u>1,484,422,524</u>	<u>10,730,460</u>	<u>1,754,024,646</u>
Liabilities				
Payables	4,316,949	759	-	4,317,708
Distribution payable	<u>1,646,136</u>	<u>525,041</u>	<u>-</u>	<u>2,171,177</u>
Total Liabilities	<u>5,963,085</u>	<u>525,800</u>	<u>-</u>	<u>6,488,885</u>
Net Assets	252,908,577	1,483,896,724	10,730,460	
Foreign currency contracts (notional value)	<u>1,235,740,806</u>	<u>(1,225,024,739)</u>	<u>(10,716,067)</u>	
Net currency exposure	<u>1,488,649,383</u>	<u>258,871,985</u>	<u>14,393</u>	

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9 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United SGD Fund
As at 31 December 2021

	SGD \$	USD \$	EUR \$	Total \$
Assets				
Portfolio of investments	919,099,270	1,783,970,733	12,840,145	2,715,910,148
Receivables	4,347,255	164	-	4,347,419
Cash and bank balances	<u>17,263,984</u>	<u>10,345,802</u>	<u>-</u>	<u>27,609,786</u>
Total Assets	<u>940,710,509</u>	<u>1,794,316,699</u>	<u>12,840,145</u>	<u>2,747,867,353</u>
Liabilities				
Payables	6,630,074	27	-	6,630,101
Distribution payable	<u>2,546,385</u>	<u>715,276</u>	<u>-</u>	<u>3,261,661</u>
Total Liabilities	<u>9,176,459</u>	<u>715,303</u>	<u>-</u>	<u>9,891,762</u>
Net Assets	931,534,050	1,793,601,396	12,840,145	
Foreign currency contracts (notional value)	<u>1,137,618,697</u>	<u>(1,124,299,109)</u>	<u>(13,319,588)</u>	
Net currency exposure	<u>2,069,152,747</u>	<u>669,302,287</u>	<u>(479,443)</u>	

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9 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 interest rate risk. Foreign exchange risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Sub-Fund's monetary assets and liabilities to changes in foreign exchange movements at 31 December 2022 and 2021. The analysis is based on the assumptions that the functional currency increased/decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

United SGD Fund

Currency	2022		2021	
	Volatility %	Net impact to net assets attributable to unitholders \$	Volatility %	Net impact to net assets attributable to unitholders \$
USD	5	12,943,599	4	26,772,091

(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 Sub-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 market prices of financial assets held by the Sub-Fund are dependent on prevailing market interest rates, as the Sub-Fund invests in bonds issued by government and corporations. No separate price risk sensitivity analyses are prepared as they are covered as part of interest risk sensitivity analysis.

(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.

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NOTES TO THE FINANCIAL STATEMENTS

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9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Sub-Fund holds interest bearing securities that expose the Sub-Fund to fair value interest rate risk. The Sub-Fund holds securities of varying maturities and interest rate sensitivities. Movement in market interest rates will affect the valuation of the Sub-Fund's securities by varying degrees. The Sub-Fund's policy requires the Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Sub-Fund's portfolio is a measure of the sensitivity of the fair value of the Sub-Fund's fixed interest securities to changes in market interest rates.

The tables below summarise the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and trading liabilities at fair value, categorised by interest rate types.

	United SGD Fund			
	Variable rates	Fixed rate	Non-interest bearing	Total
	\$	\$	\$	\$
As at 31 December 2022				
Assets				
Portfolio of investments	256,087,193	1,447,979,451	12,825,575	1,716,892,219
Receivables	-	-	2,085,014	2,085,014
Cash and bank balances	35,047,413	-	-	35,047,413
Financial derivatives at fair value	-	-	10,938,078	10,938,078
Total Assets	<u>291,134,606</u>	<u>1,447,979,451</u>	<u>25,848,667</u>	<u>1,764,962,724</u>
Liabilities				
Payables	-	-	4,317,708	4,317,708
Distribution payable	-	-	2,171,177	2,171,177
Financial derivatives at fair value	-	-	5,515,931	5,515,931
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,004,816</u>	<u>12,004,816</u>

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9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	United SGD Fund			Total \$
	Variable rates \$	Fixed rate \$	Non-interest bearing \$	
As at 31 December 2021				
Assets				
Portfolio of investments	517,555,048	2,148,828,058	49,527,042	2,715,910,148
Receivables	-	-	4,347,419	4,347,419
Cash and bank balances	27,609,786	-	-	27,609,786
Financial derivatives at fair value	-	-	<u>8,156,996</u>	<u>8,156,996</u>
Total Assets	<u>545,164,834</u>	<u>2,148,828,058</u>	<u>62,031,457</u>	<u>2,756,024,349</u>
Liabilities				
Payables	-	-	6,630,101	6,630,101
Distribution payable	-	-	3,261,661	3,261,661
Financial derivatives at fair value	-	-	<u>8,767,908</u>	<u>8,767,908</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,659,670</u>	<u>18,659,670</u>

As at 31 December 2022 and 2021, should interest rates have lowered or risen by the respective basis points ("bps") as disclosed below with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the year would be as follows:

	2022		2021	
	Volatility bps	Net impact to net assets attributable to unitholders \$	Volatility bps	Net impact to net assets attributable to unitholders \$
United SGD Fund	50	8,338,298	50	16,582,001

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Sub-Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of changes on the earnings of certain companies in which the Sub-Fund invests and impact on the valuation of certain over-the-counter derivative products that use market interest rates as an input. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Sub-Fund's net assets attributable to unitholders of future movements in interest rates.

(b) Liquidity risk

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

The Sub-Fund's investments in quoted securities are considered to be readily realisable as they are quoted on established regional stock exchanges. The Sub-Fund's investments in the Investee Fund are considered to be readily realisable as the net asset value is struck daily, and units are redeemable on demand at the published price.

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.

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For the financial year ended 31 December 2022

9 Financial risk management (continued)

(b) Liquidity risk (continued)

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

	United SGD Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2022			
Payables	4,317,708	-	-
Distribution payable	2,171,177	-	-
Financial derivatives at fair value			
- Foreign currency contracts	5,515,931	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2021			
Payables	6,630,101	-	-
Distribution payable	3,261,661	-	-
Financial derivatives at fair value			
- Foreign currency contracts	8,412,695	355,213	-

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Financial risk management (continued)

(b) Liquidity risk (continued)

The tables below analyse the Sub-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.

	United SGD Fund		
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2022			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	261,467,712	-	-
- outflow	(266,983,643)	-	-
	Less than 3 months	3 months to 1 year	Over 1 year
	\$	\$	\$
As at 31 December 2021			
Financial derivatives at fair value			
- Foreign currency contracts			
- inflow	1,258,999,289	71,546,073	-
- outflow	(1,267,411,984)	(71,901,286)	-

(c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

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9 Financial risk management (continued)

(c) Credit risk (continued)

As such, the Sub-Fund does not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Sub-Fund does not have a material exposure to group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

The table below analyses the Sub-Fund's investments by credit ratings as rated by Moody's expressed as a percentage of net assets attributable to unitholders. The credit ratings are reviewed regularly.

	United SGD Fund			
	Debt securities			
	2022		2021	
	Fixed Rate securities	Floating Rate securities	Fixed Rate securities	Floating Rate securities
A1	4%	-	4%	-
A2	5%	4%	3%	3%
A3	4%	2%	6%	3%
Aaa	9%	-	5%	6%
Baa1	7%	5%	2%	3%
Baa2	16%	2%	16%	2%
Baa3	11%	1%	7%	1%
Non-rated	26%	1%	34%	2%

All transactions in listed securities are settled/paid upon delivery and transacted with approved counterparties using an approved list of brokers that is regularly assessed and updated by the Manager. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

In order to monitor the credit quality of the "Non-rated" underlying debt securities, the Manager, on the basis of internal research, prepares its own shadow ratings for the various instruments for which publicly available credit ratings are not available. The non-rated securities comprise of debt securities issued mainly by Singapore companies.

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For the financial year ended 31 December 2022

9 Financial risk management (continued)

(c) Credit risk (continued)

Credit risk also arises from cash and bank balances and derivative positions held with financial institutions. The table below summarises the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 31 December 2022 and 2021.

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

United SGD Fund

	Credit rating as at 31 December 2022	Credit rating as at 31 December 2021
Bank and custodian		
State Street Bank and Trust Company	aa-	aa-
Counterparties of foreign currency contracts		
Australia and New Zealand Banking Group	a+	a+
BNP Paribas	a+	a+
Citibank N.A.	a	a
State Street Bank and Trust Company	aa-	aa-
United Overseas Bank Limited	aa-	aa-
Westpac Banking Corporation	a+	a+

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

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

For purposes of impairment assessment, the Sub-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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Financial risk management (continued)

(d) Capital management

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

(e) Fair value estimation

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

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

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9 Financial risk management (continued)

(e) Fair value estimation (continued)

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

	United SGD Fund			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 31 December 2022				
Assets				
Portfolio of investments				
- Quoted bonds	-	1,716,892,219	-	1,716,892,219
Financial derivatives at fair value	-	<u>10,938,078</u>	-	<u>10,938,078</u>
Total	-	<u>1,727,830,297</u>	-	<u>1,727,830,297</u>
Liabilities				
Financial derivatives at fair value	-	<u>5,515,931</u>	-	<u>5,515,931</u>
Total	-	<u>5,515,931</u>	-	<u>5,515,931</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 31 December 2021				
Assets				
Portfolio of investments				
- Quoted bonds	-	2,684,566,148	-	2,684,566,148
- Quoted unit trusts	31,344,000	-	-	31,344,000
Financial derivatives at fair value	-	<u>8,156,996</u>	-	<u>8,156,996</u>
Total	<u>31,344,000</u>	<u>2,692,723,144</u>	-	<u>2,724,067,144</u>
Liabilities				
Financial derivatives at fair value	-	<u>8,767,908</u>	-	<u>8,767,908</u>
Total	-	<u>8,767,908</u>	-	<u>8,767,908</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Financial risk management (continued)

(e) Fair value estimation (continued)

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

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 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.

United SGD Fund

Financial assets	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial assets	Statement of Financial Position	Net amount of financial assets set off in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2022						
Derivative financial instruments	10,938,078	-	10,938,078	(4,894,190)	-	6,043,888
Total	10,938,078	-	10,938,078	(4,894,190)	-	6,043,888
31 December 2021						
Derivative financial instruments	8,156,996	-	8,156,996	(5,272,068)	-	2,884,928
Total	8,156,996	-	8,156,996	(5,272,068)	-	2,884,928

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Financial risk management (continued)

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

United SGD Fund

Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amounts not offset		
	Gross amounts of financial liabilities	Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Financial instruments	Collateral pledged/received	Net amount
	\$	\$	\$	\$	\$	\$
31 December 2022						
Derivative financial instruments	5,515,931	-	5,515,931	(4,894,190)	-	621,741
Total	5,515,931	-	5,515,931	(4,894,190)	-	621,741
31 December 2021						
Derivative financial instruments	8,767,908	-	8,767,908	(5,272,068)	-	3,495,840
Total	8,767,908	-	8,767,908	(5,272,068)	-	3,495,840

United Choice Portfolios II
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10 Related party transactions

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

Management fee and valuation fee are paid to the Manager for the financial year. Registrar fee and custody fee are paid to State Street Bank and Trust Company, Singapore Branch.

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

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

	United SGD Fund	
	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Cash and bank balances	35,047,413	27,609,786

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

	United SGD Fund	
	2022	2021
	\$	\$
State Street Bank and Trust Company, Singapore Branch		
Interest income	78,943	-
United Overseas Bank Limited		
Bank charges	80,306	104,767

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11 Financial ratios

Current year disclosure for Class D SGD Acc is covering the period from 11 April 2022 (date of inception) to 31 December 2022.

	United SGD Fund	
	2022	2021
	\$	\$
Class A (Acc) SGD		
Total operating expenses	6,386,001	7,992,212
Average daily net assets value	991,652,616	1,194,505,416
Expense ratio ¹	0.64%	0.67%
Class A (Dist) SGD		
Total operating expenses	1,825,271	2,369,753
Average daily net assets value	283,599,275	353,405,976
Expense ratio ¹	0.64%	0.67%
Class A (Acc) USD (Hedged)		
Total operating expenses	1,471,253	2,119,182
Average daily net assets value	217,918,799	321,523,578
Expense ratio ¹	0.68%	0.66%
Class A (Dist) USD (Hedged)		
Total operating expenses	277,871	356,829
Average daily net assets value	43,243,776	52,979,616
Expense ratio ¹	0.64%	0.67%
Class B (Acc) SGD		
Total operating expenses	811,840	946,051
Average daily net assets value	252,961,209	276,067,977
Expense ratio ¹	0.32%	0.34%
Class D SGD Acc		
Total operating expenses	350	-
Average daily net assets value	175,064	-
Expense ratio (annualised) ¹	0.27%	-

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 Sub-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 Sub-Fund does not pay any performance fee. The average net assets value is based on the daily balances.*

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11 Financial ratios (continued)

	United SGD Fund	
	2022	2021
	\$	\$
Class S (Dist) SGD		
Total operating expenses	1,431,985	2,189,792
Average daily net assets value	<u>219,573,959</u>	<u>327,556,657</u>
Expense ratio ¹	<u>0.65%</u>	<u>0.67%</u>
Class S (Dist) USD (Hedged)		
Total operating expenses	1,012,730	1,082,514
Average daily net assets value	<u>156,355,360</u>	<u>163,801,183</u>
Expense ratio ¹	<u>0.65%</u>	<u>0.66%</u>
Lower of total value of purchases or sales	1,172,345,778	3,256,427,735
Average daily net assets value	<u>2,165,480,058</u>	<u>2,689,840,403</u>
Turnover ratio ²	<u>54.14%</u>	<u>121.06%</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 Sub-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 Sub-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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