

United Financials Multi-Strategy Funds

- United Asia Financials Fund
- United Financials Opportunities Fund

Semi Annual Report

for the period 1st January to
30th June 2011

United Financials Multi-Strategy Funds

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

MANAGER

UOB Asset Management Ltd

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United Asia Financials Fund

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

A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth %	6 mth %	1 yr %	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 7 June 2010 Ann Comp Ret
United Asia Financials Fund	-5.03	-5.66	-0.99	N/A	N/A	N/A	-0.37
Benchmark	-3.45	-3.56	6.58	N/A	N/A	N/A	10.15

Source: Lipper, a Thomson Reuters Company.

Note: The performance returns of the Fund are in Singapore dollars based on a NAV-to-NAV basis with net dividends reinvested. The benchmark of the Fund: MSCI Asia ex Japan Financials ex Real Estate.

For the six months ended 30 June 2011, the net asset value of the Fund fell 5.7%, compared with a 3.6% decrease in the benchmark MSCI Asia ex Japan Financials ex Real Estate index in Singapore dollar terms.

The portfolio's underperformance was mainly due to our *overweight* in **Chinese financials (China Construction Bank, Bank of China)** as the sector underperformed on continued tightening measures, concerns of rising inflation and fears of rising loan defaults in China. Our *underweight* in **Malaysian banks** also detracted from performance as the sector *outperformed*. The *underperformance* was partially offset by stronger performance in **Korea (Samsung Fire & Marine), Taiwan (Fubon Financial, Chinatrust Financial)** and **Singapore (UOB, DBS)**.

As at end June 2011, the Fund had the following country allocation: **China** (31.8%), **South Korea** (11.9%), **Singapore** (10.6%), **Hong Kong** (10.4%), **Taiwan** (10.1%), **Indonesia** (6.0%), Others (13.6%) and the remainder in cash (5.6%).

Market Review

Asian equity markets were volatile during the period under review. The first part of 2011 was marked by various exogenous shocks such as geopolitical uncertainties and natural disasters. Political unrest which started in Egypt and spread to various Middle East and North African countries resulted in heightened risk aversion, leading to a sell-off in Asian markets. Renewed monetary tightening by the Chinese government also put a dampener on markets. The Japan earthquake and tsunami in March, which threatened to escalate into a nuclear disaster added to market volatility.

Equity markets started the year on firm footing against a backdrop of accommodative policy and improving economic data. The US FOMC kept monetary policy unchanged and continued its second Quantitative Easing (QE 2) programme of purchasing longer-term Treasury securities with a target of US\$600bn by the end of the second quarter of 2011. Risk aversion returned due in part to monetary tightening in China and the escalation of political unrest in the North African state of Libya, which caused markets to tumble in February. The biggest implication of the political unrest in the Middle East has been the threat of a disruption to oil production, which caused oil prices to surge past of US\$100 per barrel.

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The Japan earthquake and tsunami in March, threatened to escalate into a nuclear disaster and added further pressure on markets. Rising oil prices fueled inflation concern and threatened to slow the global recovery. Several central banks in Asia tightened monetary policies in order to contain the growing inflationary pressures driven by high commodity and food prices.

The European debt problems resurfaced. Concerns over sovereign credit risks of Greece and other peripheral European countries dampened markets in the second quarter.

Economic growth in Asia has been supported by robust domestic demand and credit expansion. Despite a dip in export growth, the overall economic conditions in Asia stayed firm.

Fund Strategy and Outlook

Investors' focus is now trained on the global economic weakness as seen by the latest economic data points. Our view is that the current weakness is a soft patch on the road to economic recovery rather than a hard landing. The key risks are the European debt crisis, rising inflation and US growth stalling.

The global macroeconomic environment has hit a soft patch with the headline purchasing managers' indices (PMI) across the world coming off. The weakness has been attributed to the earthquake and tsunami in Japan, the credit crisis in Europe, monetary tightening in Asia and the bad weather in the US.

With the weaker PMI data, we expect Asian exports to weaken in the coming months. Domestic demand on the other hand is stabilizing. Employment indicators signal that there is continued job growth amid already tight labour markets, which should support retail spending in the region. The silver lining with the growth slowdown is the stabilizing of input and output prices after a sharp run-up in the first quarter. Headline inflation in most Asian economies has started to stabilize even as core price pressures continue to rise. The moderation in growth should limit the need for further policy tightening.

We expect markets to trade sideways in the near term with the ongoing economic weakness. We continue to monitor the PMI new orders for signs of sustained contraction.

We expect the current slowdown to be a soft patch and markets to trade sideways until there is more clarity on the economic outlook. Yet, valuations are reasonable and while earnings growth estimates for this year have been trimmed or pushed out to 2012, stocks offer attractive risk-reward profile over the medium term.

We remain positive on Asian Financials as they are expected to benefit from an easing of monetary policy as inflation moderates. Loan growth has been resilient as economies and business activity. Fee income, especially transaction fees, have rebounded, in particular loan-related fees, credit card fees and trade finance. Asset quality has remained benign and leverage in the banking system remains low. We prefer banks with strong deposit franchise, high proportion of floating rate loans and strong balance sheet.

We believe that the Chinese banks offer attractive risk-reward opportunities over a medium term investment horizon. The Chinese insurers also offer opportunities due to the underpenetration in the life insurance industry, and they are also beneficiaries of asset reflation and rising interest rates. Our preferred stocks are **China Construction Bank, Industrial & Commercial Bank of China, Ping An Insurance.**

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We favour Korean banks (**KB Financial**, **Shinhan Financial**) and Singapore banks (**OCBC**) as they are attractively valued and have seen strong recovery in loan growth. Taiwan financials such as **Chinatrust** and **Fubon Financial** are beneficiaries of warming cross-straits relations with China. Banks in other ASEAN countries also stand to benefit from low credit penetration levels and recovery in loan growth driven by improving investment and consumer sentiment. We favour **Bank Mandiri** in Indonesia, **Kasikornbank** in Thailand, **Metrobank** in the Philippines and **CIMB** in Malaysia.

We are cautious on Indian financials over the short term, as we believe that rising costs of funding will likely impact profit margins in the coming quarters. However, we are positive over the medium to long term due to structural reasons. Our preferred picks are **Axis Bank** and **HDFC Bank**.

Asian exchanges and brokerages such as **Hong Kong Exchanges & Clearing** and **Bursa Malaysia** have high operating leverage from trading-related revenue and new initiatives to boost trading activities. Exchanges are also introducing new financial services and products such as RMB-denominated IPOs, and these new initiatives should likely provide a boost to their revenues over the medium term.

In summary, Asian financial institutions have emerged from the recent global financial crisis in relatively good shape. Having learnt the lessons from Asia's own financial crisis in the late 1990s, both Asian banks and borrowers entered the recent downturn with much stronger balance sheets. We believe that Asian financial institutions offer attractive investment opportunities for the medium term investor as direct beneficiaries of Asia's economic growth. One area of financial services which is under penetrated in Asia is consumer lending. A higher level of economic activity also leads to an increase in the demand for financial services including insurance (life, fire, property and motor), banking services like remittances, foreign exchange, trade financing, as well as corporate finance advisory. We also expect to see rising demand for wealth management services as more people in Asia become affluent.

United Asia Financials Fund

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

B) Investments at fair value and as a percentage of NAV as at 30 June 2011 under review classified by

	Fair Value (S\$)	% of NAV
i) Country		
China	14,307,412	31.79
Hong Kong	4,663,599	10.36
India	1,669,537	3.71
Indonesia	2,718,203	6.04
Malaysia	1,625,738	3.61
Philippines	864,467	1.92
Singapore	4,771,297	10.60
South Korea	5,336,205	11.86
Taiwan	4,546,690	10.11
Thailand	1,971,165	4.38
Portfolio of investments	42,474,313	94.38
Other net assets	2,531,394	5.62
Total	45,005,707	100.00
ii) Industry		
Bank	32,077,280	71.27
Diversified Financial Services	5,056,418	11.24
Insurance	5,340,615	11.87
Portfolio of investments	42,474,313	94.38
Other net assets	2,531,394	5.62
Total	45,005,707	100.00
iii) Asset Class		
Equities	42,474,313	94.38
Other net assets	2,531,394	5.62
Total	45,005,707	100.00
iv) Credit rating of debt securities		
N/A		

United Asia Financials Fund

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C) Top Ten Holdings

The top 10 holdings as at 30 June 2011

10 largest holdings at 30 June 2011

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
INDUSTRIAL AND COMMERCIAL BANK OF CHINA - H	3,652,676	8.12
BANK OF CHINA LTD - H	2,877,036	6.39
CHINA CONSTRUCTION BANK - H	2,284,012	5.07
SHINHAN FINANCIAL GROUP CO LTD	2,129,942	4.73
OVERSEAS CHINESE BANKING CORPORATION	1,821,604	4.05
DBS GROUP HOLDINGS LIMITED	1,705,706	3.79
PING AN INSURANCE COMPANY	1,700,722	3.78
KB FINANCIAL GROUP INC	1,472,197	3.27
CHINATRUST FINANCIAL HOLDINGS COMPANY LTD	1,393,577	3.10
PT BANK MANDIRI	1,365,221	3.03

D) Exposure to derivatives

i) fair value of derivative contracts and as a percentage of NAV as at 30 June 2011

N/A

ii) net gains/(losses) on derivative contracts realised during the financial period ended 30 June 2011

N/A

iii) net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2011

N/A

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2011

	Fair Value (S\$)	% of NAV
METROPOLITAN BANK & TRUST COMPANY	670,950	1.49
CHINATRUST FINANCIAL HOLDINGS COMPANY LTD	1,393,577	3.10

F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2011

N/A

United Asia Financials Fund

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G) Amount of redemptions and subscriptions for the period 01 January 2011 to 30 June 2011

Total amount of redemptions	SGD	6,073,393
Total amount of subscriptions	SGD	33,765,237

H) The amount and terms of related-party transactions for the period 01 January 2011 to 30 June 2011

- i) As at 30 June 2011 the Fund maintained current accounts with the United Overseas Bank Limited as follows:

Bank balances	SGD	9,790
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- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2011

N/A

- iii) Investment in Initial Public Offerings managed by UOB Group.

N/A

- iv) As at 30 June 2011 the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 1,383.

I) Expense ratios

30 June 2011	2.46%
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Note: The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

J) Turnover ratios

30 June 2011	18.53%
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Note: The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes"

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

N/A

United Asia Financials Fund

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

- i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2011

N/A

- ii) expense ratios for the period ended 30 June 2011. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

- iii) turnover ratios for the period ended 30 June 2011

N/A

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 product 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 the best available terms and there was no churning of trades.

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.

United Financials Opportunities Fund

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

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since
	%	%	%	Ann	Ann	Ann	Inception
Fund Performance	Growth	Growth	Growth	Comp	Comp	Comp	28 July 2008
				Ret	Ret	Ret	%
							Growth
United Financials Opportunities Fund	-7.48	-5.80	-10.32	N/A	N/A	N/A	-12.66

Source: Lipper, a Thomson Reuters Company.

Note: The performance returns of the Fund are in Singapore dollars based on a NAV-to-NAV basis with net dividends reinvested.

For the six months ended June 2011, the Fund fell by **5.8%** in Singapore dollar terms. By comparison, the MSCI World Financials Index declined by 2.6% during the period.

The Fund was launched with the objective of taking advantage of share price declines in financial service companies that were adversely impacted by the subprime and financial crisis. The Fund adopts a concentrated strategy of investing in leading companies that are expected to provide positive returns as credit conditions improve and earnings recover. The investment horizon of the strategy is three to five years, and the objective is to deliver strong absolute returns over this period.

The broader equity markets and the financial sector started the year on a positive note, but soon experienced increased volatility in the second quarter due to a number of risk factors. Among key risks to note were the geopolitical risks in the Middle East, a natural disaster in Japan, and renewed concerns over sovereign risk in Europe.

In line with the broader market and sector, after posting moderate gains in the 1Q11, the Fund's value declined in 2Q11. The Fund's net asset value ended the period at S\$0.708, representing a 0.8% decline from the December 2010 level of S\$0.714.

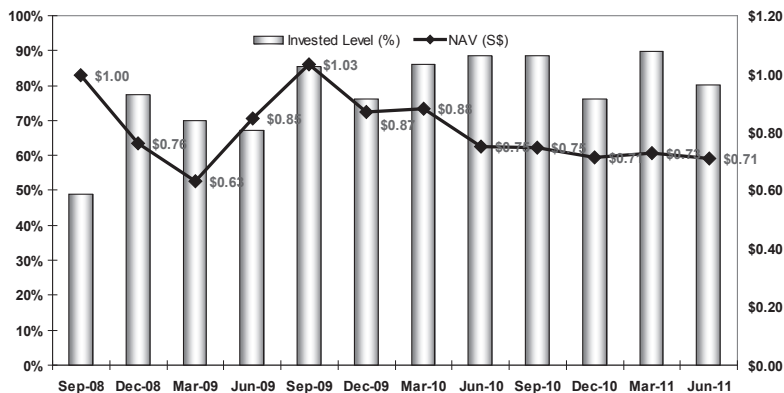
The Fund is currently positioned for ongoing volatility. During the period under review, cash levels averaged 12.3% and the Fund ended the period with a cash reserve of 20.5%. The following table provides an illustration of the Fund's invested levels and net asset value AV development on a quarterly basis since launch.

United Financials Opportunities Fund

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United Financials Opportunities Fund

Month End Invested Level (%) and NAV (\$)



Key contributors to performance in the period included: **Mastercard** (US), **Visa Inc.** (US), and **BBVA** (Spain). All of these counters went up by double digit amounts during the period.

Meanwhile, significant detractors from performance were: **Northern Trust** (US), **US Bancorp** (US), and **Bank of America** (US). The Fund exited its position in Bank of America.

Recent Developments:

The restructuring in the financial sector is still ongoing, although institutions are now seeing slight improvements in core profitability thanks to risk re-pricing and asset quality improvements. However, the pace of improvement is still uneven and growth prospects generally remains subdued. In this environment, the Fund will focus on structurally attractive growth opportunities in fiduciary service segments of the market, with specific exposure in the payments processing and trust and custody segments. The Fund has also started to selectively target potential winners in the traditional lending segment in both the US and Europe.

Meanwhile, we are still keeping a close watch on the fiscal front, even though the abnormal policy responses in the developed world have helped to keep the economic wheels turning. The fact is, the longer this support is needed, the greater the likelihood of potential future risks, both from a macroeconomic and regulatory standpoint. As we said previously, it is imperative that policy makers understand that the financial sector remains the life blood that drives the global economy.

In the US and Europe, the debate has shifted from financial sector reforms to ways to deal with public debt. In the US, the debate took the form debt ceiling extension, which was temporarily resolved. In Europe, the debate is centered on how to deal with the peripheral countries debt challenges. This is a far more complicated challenge as it involves more parties with differing priorities and perspectives, and has significant implications on the banks. We will come back to this in more detail shortly. More importantly, the greatest challenge still remaining is to keep the wheels of the global economy moving against this fiscal adjustment. Central banks have been taking up the slack and will likely be required to do so for some time to come. This will only make the process of identifying the winners from the losers that much more challenging.

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As at 30 June 2011 holdings of the Fund include:

Company	Country	Exposure
ACE Ltd	US	3.7%
Allstate Corporation	US	3.4%
Bank of America NT & SA	US	2.1%
BB&T Corporation	US	3.0%
JP Morgan Chase & Company	US	3.8%
Mastercard Inc - A	US	10.2%
Northern Trust Corporation	US	5.2%
NYSE Euronext (US)	US	3.2%
PNC Financial Services	US	3.9%
State Street Corporation	US	5.9%
US Bancorp	US	5.7%
Visa Inc – Class A Shares	US	9.5%
Sub-total	US	59.6%
Banco Bilbao Vizcaya S.A	Spain	5.5%
Banco Santander SA	Spain	3.6%
Aberdeen Asset Management PLC	UK	2.7%
Admiral Group PLC	UK	2.5%
HSBC Holdings PLC	UK	5.6%
Sub-total	Europe	19.9%
Sub-total Equities		79.5%
Cash / Net Liquidity		20.5%

Outlook and Strategy

Although the global economy has recovered, growth is still very much below potential levels, and will likely to continue to be so for some time. The average US household is still in the midst of its deleveraging process, while unemployment levels remain stubbornly high.

In the financial sector, the deleveraging process appears to be diverging. In US, financial institutions have raised capital, strengthened liquidity levels and are in a very strong shape. The challenge in the US is one of limited near-term growth, even though profitability is rebounding. Indeed, the stronger institutions have been able to take advantage of gaps owing to the ongoing retrenchment at some of the larger institutions. In Europe, however, the deleveraging process is still at its infancy stage. As European bank business models adapt to the new world of Basel III, near term risk of sovereign exposure has also risen. The restructuring and partial hair cut on Greek debt is a case in point. The majority of European banks still cannot claim fortress-like balance sheets, either from a capital or liquidity standpoint. With the cloud of sovereign credit risk still over the horizon, the banks need to move fast to raise new capital and improve liquidity. At this stage, it should be of little surprise that the Fund is mainly exposed to US institutions.

The process to resolving of the public sector debt crisis remains unclear. While it has been encouraging to see the global expansion playing out, more growth is needed to deal with the debt challenge. Here, the process and degree of coordination among central banks is troubling. Certain central banks have adopted policies that are clearly too restrictive, and the lack of consensus of how to deal with deep fiscal challenges only increases uncertainty and delays the inevitable. Regulation, particularly in Europe, needs to catch up with these new realities.

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With the exception for a few pockets of growth in specific business segments, it is clear that revenue prospects for the broader industry will remain muted. Given the ongoing uncertainties in the operating environment, the Fund continues to position aggressively to take advantage of these longer-term opportunities.

For the more traditional lenders, profits should push higher as credit losses decline while costs are trimmed. And although this creates opportunities for the stronger traditional lenders, the near-term competition from weaker players will limit the near term upside. However, we believe that several of our holdings could be the beneficiaries of the changing landscape. They include: USBancorp, PNC Financial, BB&T Bank, HSBC, and BBVA.

The Fund continues to find good investment opportunities among fiduciary service providers. The payments services area is perhaps the most compelling segment, with changing consumer spending patterns driving volume increase at rates that are well in excess of overall economic growth. The Fund holds sizeable positions in both Mastercard and Visa, which operate the dominant global payments networks. There are also good opportunities in Custody, Trust, and Wealth Management services. Key holdings from these segments include: State Street Bank (US), Northern Trust (US), and Aberdeen (UK).

Sector profitability is recovering from distressed levels, with returns-on-assets (ROA) having recovered to the 0.9%-1.3% range. Credit improvements should enable the well-managed institutions to reap further ROAs improvements. We believe that the stronger firms will eventually push their ROAs back to the 1.8%-2.4%. This should underpin earnings improvements and drive re-rating into second phase of the recovery.

In summary, the recovery process can be unpredictable and markets may be volatile. However, if the recovery stays on track, the sector should generate strong relative returns for investors as credit conditions improve and growth recovers. The challenge is that this process can be messy, with setbacks along the way.

United Financials Opportunities Fund

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B) Investments at fair value and as a percentage of NAV as at 30 June 2011 under review classified by

	Fair Value (S\$)	% of NAV
i) Country		
Spain	600,552	9.16
United Kingdom	704,362	10.75
United States	3,904,161	59.55
Portfolio of investments	5,209,075	79.46
Other net assets	1,346,114	20.54
Total	6,555,189	100.00

ii) Industry		
Financials	3,923,041	59.84
Information Technology	1,286,034	19.62
Portfolio of investments	5,209,075	79.46
Other net assets	1,346,114	20.54
Total	6,555,189	100.00

iii) Asset Class		
Equities	5,209,075	79.46
Other net assets	1,346,114	20.54
Total	6,555,189	100.00

iv) Credit rating of debt securities

N/A

United Financials Opportunities Fund

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C) Top Ten Holdings

The top 10 holdings as at 30 June 2011 and 30 June 2010

10 largest holdings at 30 June 2011

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MASTERCARD INC - A	665,335	10.15
VISA INC - CLASS A SHARES	620,699	9.47
STATE STREET CORPORATION	387,296	5.91
US BANCORP	375,646	5.73
HSBC HOLDINGS PLC	365,277	5.57
BANCO BILBAO VIZCAYA S.A	359,705	5.49
NORTHERN TRUST CORPORATION	338,670	5.17
PNC FINANCIAL SERVICES	255,991	3.91
JPMORGAN CHASE & COMPANY	251,106	3.83
ACE LTD	242,328	3.70

10 largest holdings at 30 June 2010

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BANCO SANTANDER SA	597,845	7.75
VISA INC - CLASS A SHARES	592,561	7.68
BANCO BILBAO VIZCAYA S.A	589,089	7.64
US BANCORP	530,448	6.88
HSBC HOLDINGS PLC	513,989	6.66
BANK OF IRELAND	513,666	6.66
NYSE EURONEXT (US)	462,723	6.00
NORTHERN TRUST CORPORATION	456,385	5.92
ACE LTD	431,227	5.59
STATE STREET CORPORATION	424,945	5.51

United Financials Opportunities Fund

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D) Exposure to derivatives

- i) fair value of derivative contracts and as a percentage of NAV as at 30 June 2011

N/A

- ii) net gains/(losses) on derivative contracts realised during the financial period ended 30 June 2011

N/A

- iii) net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2011

N/A

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2011

N/A

F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2011

N/A

G) Amount of redemptions and subscriptions for the period 01 January 2011 to 30 June 2011

Total amount of redemptions	SGD	260,342
Total amount of subscriptions	SGD	-

H) The amount and terms of related-party transactions for the period 01 January 2011 to 30 June 2011

- i) As at 30 June 2011 the Fund maintained current accounts with the United Overseas Bank Limited as follows :

Bank balances	SGD	17,309
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United Financials Opportunities Fund

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

H) The amount and terms of related-party transactions for the period 01 January 2011 to 30 June 2011 (continued)

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2011

Holdings of United Financials Opportunities Fund as at 30 June 2011 were as follows:

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price</u> <u>SGD</u>	<u>Market Value</u> <u>SGD</u>
a) PT BANK UOB BUANA TBK	381,760.15	0.708	270,286.19
b) UOB Smart Financials Opportunities Fund	2,951,092.99	0.708	2,089,373.84

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price</u> <u>USD</u>	<u>Market Value</u> <u>USD</u>
a) PT BANK UOB BUANA TBK	105,798.08	0.576	60,939.69

- iii) Investment in Initial Public Offerings managed by UOB Group.

N/A

- iv) As at 30 June 2011 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

I) Expense ratios

30 June 2011	2.58%
30 June 2010	2.31%

Note: The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund has not paid any performance fees during the period.

J) Turnover ratios

30 June 2011	20.10%
30 June 2010	12.29%

Note: The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

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

N/A

United Financials Opportunities Fund

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

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

- i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2011 and 30 June 2010

N/A

- ii) expense ratios for the period ended 30 June 2011 and 30 June 2010. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

- iii) turnover ratios for the period ended 30 June 2011 and 30 June 2010

N/A

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 product 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 the best available terms and there was no churning of trades.

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.

United Financials Multi-Strategy Funds

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

STATEMENTS OF TOTAL RETURN

For the half year ended 30 June 2011 (Un-audited)

	Note	United Asia	United Financials	
		Financials Fund	Opportunities Fund	
		30 June	30 June	30 June
		2011	2011	2010
		\$	\$	\$
Income				
Dividends		770,923	81,102	75,308
Interest		2	6	630
		770,925	81,108	75,938
Less: Expenses				
Management fee	9	301,107	51,016	65,687
Administration fee	9	50,184	8,503	11,336
Trustee fee	9	8,029	4,011	1,752
Audit fee		6,297	6,600	6,100
Registrar fee	9	12,397	7,439	7,438
Valuation fee	9	25,092	4,251	5,474
Custody fee		6,540	2,289	3,339
Interest expenses		78	-	-
Other expenses		39,534	7,874	(4,434)
		449,258	91,983	96,692
Net income/(loss)		321,667	(10,875)	(20,754)
Net gains or losses on value of investments				
Net realised gains/(losses) on investments		276,740	(94,994)	(37,616)
Net change in fair value on investments		(1,976,698)	80,253	(1,143,190)
Net foreign exchange losses		(141,883)	(8,464)	(7,615)
Net losses on value of investments		(1,841,841)	(23,205)	(1,188,421)
Total deficit for the period before income tax		(1,520,174)	(34,080)	(1,209,175)
Less : Income tax	3	(62,761)	(17,129)	(14,904)
Less : Capital gain tax		(9,823)	-	-
Total deficit for the period		(1,592,758)	(51,209)	(1,224,079)

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

United Financials Multi-Strategy Funds

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

BALANCE SHEETS

As at 30 June 2011 (Un-audited)

	<u>United Asia</u>		<u>United Financials</u>	
	<u>Financials Fund</u>		<u>Opportunities Fund</u>	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
Note	\$	\$	\$	\$
ASSETS				
Portfolio of investments	42,474,313	18,617,829	5,209,075	5,245,808
Sales awaiting settlement	601,201	184,056	53,370	-
Receivables	4 262,255	76,827	10,235	8,702
Cash and bank balances	3,192,560	286,942	1,325,376	1,680,258
Total Assets	46,530,329	19,165,654	6,598,056	6,934,768
LIABILITIES				
Purchases awaiting settlement	1,266,519	27,337	-	-
Payables	5 258,103	231,696	42,867	68,028
Net assets attributable to unitholders	6 45,005,707	18,906,621	6,555,189	6,866,740
Total Liabilities	46,530,329	19,165,654	6,598,056	6,934,768

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

United Asia Financials Fund

	Holdings at 30 June 2011	Fair value at 30 June 2011 \$	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography - Primary Quoted Equities			
CHINA			
BANK OF CHINA LTD - H	4,811,700	2,877,036	6.39
CHINA CITIC BANK CORP LTD NIL PAID RIGHTS DUE 25/07/2011	270,000	35,781	0.08
CHINA CITIC BANK CORP LTD	1,350,000	1,030,829	2.29
CHINA CONSTRUCTION BANK - H	2,244,560	2,284,012	5.07
CHINA EVERBRIGHT LTD	350,000	820,529	1.83
CHINA LIFE INSURANCE CO LTD	241,000	1,009,460	2.24
CHINA PACIFIC INSURANCE (GRP) CO LTD - H	177,000	896,367	1.99
INDUSTRIAL AND COMMERCIAL BANK OF CHINA - H	3,924,205	3,652,676	8.12
PING AN INSURANCE COMPANY	134,500	1,700,722	3.78
TOTAL CHINA		14,307,412	31.79
HONG KONG			
BOC HONG KONG LTD	364,000	1,294,957	2.88
DAH SING BANKING GROUP LTD	250,000	428,329	0.95
HANG SENG BANK LIMITED	48,400	946,072	2.10
HONG KONG EXCHANGES & CLEARING LTD	43,700	1,124,457	2.50
HSBC HOLDINGS PLC	71,600	869,784	1.93
TOTAL HONG KONG		4,663,599	10.36
INDIA			
AXIS BANK LIMITED	25,900	913,357	2.03
HDFC BANK LIMITED	11,008	756,180	1.68
TOTAL INDIA		1,669,537	3.71
INDONESIA			
PT BANK MANDIRI	1,333,827	1,365,221	3.03
PT BANK NEGARA INDONESIA	2,470,946	1,352,982	3.01
TOTAL INDONESIA		2,718,203	6.04

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

United Asia Financials Fund

	Holdings at 30 June 2011	Fair value at 30 June 2011 \$	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography - Primary (continued)			
Quoted Equities			
MALAYSIA			
AMMB HOLDINGS BERHAD	169,000	447,290	0.99
CIMB GROUP HOLDINGS BERHAD	233,800	845,973	1.88
RHB CAPITAL BERHAD	89,866	332,475	0.74
TOTAL MALAYSIA		1,625,738	3.61
PHILIPPINES			
BANCO DE ORO UNIBANK INC	125,000	193,517	0.43
METROPOLITAN BANK & TRUST COMPANY	338,598	670,950	1.49
TOTAL PHILIPPINES		864,467	1.92
SINGAPORE			
DBS GROUP HOLDINGS LIMITED	116,351	1,705,706	3.79
OVERSEAS CHINESE BANKING CORPORATION	194,824	1,821,604	4.05
UNITED OVERSEAS BANK LTD	63,404	1,243,987	2.76
TOTAL SINGAPORE		4,771,297	10.60
SOUTH KOREA			
KB FINANCIAL GROUP INC	25,354	1,472,197	3.27
SAMSUNG FIRE & MARINE INSURANCE CO LTD	4,796	1,362,085	3.03
SAMSUNG LIFE INSURANCE CO LTD	3,409	371,981	0.83
SHINHAN FINANCIAL GROUP CO LTD	36,465	2,129,942	4.73
TOTAL SOUTH KOREA		5,336,205	11.86
TAIWAN			
CHINATRUST FINANCIAL HOLDINGS COMPANY LTD	1,306,896	1,393,577	3.10
FUBON FINANCIAL HOLDING COMPANY LTD	718,000	1,351,730	3.00
TAISHIN FINANCIAL HOLDING CO LTD	673,000	488,971	1.09
YUANTA FINANCIAL HOLDING CO LTD	1,547,000	1,312,412	2.92
TOTAL TAIWAN		4,546,690	10.11

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

United Asia Financials Fund

	Holdings at 30 June 2011	Fair value at 30 June 2011 \$	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography - Primary (continued)			
Quoted Equities			
THAILAND			
BANGKOK BANK PCL - NVDR	67,000	421,619	0.94
KASIKORN BANK PCL - NVDR	177,500	868,759	1.93
SIAM COMMERCIAL BANK PCL - NVDR	154,200	680,787	1.51
TOTAL THAILAND		1,971,165	4.38
Portfolio of investments		42,474,313	94.38
Other net assets		2,531,394	5.62
Net assets attributable to unitholders		45,005,707	100.00

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

	United Asia Financials Fund	
	Percentage of total net assets attributable to unitholders at 30 June 2011	Percentage of total net assets attributable to unitholders at 31 December 2010
	%	%
By Geography - Primary (Summary)		
Quoted Equities		
China	31.79	39.19
Hong Kong	10.36	5.12
India	3.71	8.77
Indonesia	6.04	4.83
Malaysia	3.61	1.67
Philippines	1.92	4.22
Singapore	10.60	9.30
South Korea	11.86	12.06
Taiwan	10.11	8.85
Thailand	4.38	4.46
Portfolio of investments	94.38	98.47
Other net assets	5.62	1.53
Net assets attributable to unitholders	100.00	100.00

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

United Asia Financials Fund

	Fair value at 30 June 2011 \$	Percentage of total net assets attributable to unitholders at 30 June 2011 %	Percentage of total net assets attributable to unitholders at 31 December 2010 %
By Industry - Secondary Quoted Equities			
Bank	32,077,280	71.27	63.45
Diversified Financial Services	5,056,418	11.24	15.80
Insurance	5,340,615	11.87	19.22
Portfolio of investments	42,474,313	94.38	98.47
Other net assets	2,531,394	5.62	1.53
Net assets attributable to unitholders	45,005,707	100.00	100.00

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

	United Financials Opportunities Fund		
	Holdings at 30 June 2011	Fair value at 30 June 2011 \$	Percentage of total net assets attributable unitholders at 30 June 2011 %
By Geography - Primary Quoted Equities			
SPAIN			
BANCO BILBAO VIZCAYA S.A	25,000	359,705	5.49
BANCO SANTANDER SA	17,000	240,847	3.67
TOTAL SPAIN		600,552	9.16
UNITED KINGDOM			
ABERDEEN ASSET MANAGEMENT PLC	40,000	175,406	2.68
ADMIRAL GROUP PLC	5,000	163,679	2.50
HSBC HOLDINGS PLC	30,000	365,277	5.57
TOTAL UNITED KINGDOM		704,362	10.75
UNITED STATES			
ACE LTD	3,000	242,328	3.70
ALLSTATE CORPORATION	6,000	224,872	3.43
BANK OF AMERICA NT & SA	10,000	134,422	2.04
BB&T CORPORATION	6,000	197,692	3.01
JPMORGAN CHASE & COMPANY	5,000	251,106	3.83
MASTERCARD INC - A	1,800	665,335	10.15
NORTHERN TRUST CORPORATION	6,000	338,670	5.17
NYSE EURONEXT (US)	5,000	210,104	3.20
PNC FINANCIAL SERVICES	3,500	255,991	3.91
STATE STREET CORPORATION	7,000	387,296	5.91
US BANCORP	12,000	375,646	5.73
VISA INC - CLASS A SHARES	6,000	620,699	9.47
TOTAL UNITED STATES		3,904,161	59.55
Portfolio of investments		5,209,075	79.46
Other net assets		1,346,114	20.54
Net assets attributable to unitholders		6,555,189	100.00

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

United Financials Opportunities Fund

	Percentage of total net assets attributable to unitholders at 30 June 2011 %	Percentage of total net assets attributable to unitholders at 31 December 2010 %
By Geography - Primary (Summary)		
Quoted Equities		
Spain	9.16	10.64
United Kingdom	10.75	7.34
United States	59.55	58.41
Portfolio of investments	79.46	76.39
Other net assets	20.54	23.61
Net assets attributable to unitholders	100.00	100.00

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

United Financials Multi-Strategy Funds

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

PORTFOLIO STATEMENTS

As at 30 June 2011 (Un-audited)

	United Financials Opportunities Fund		
	Fair value at 30 June 2011 \$	Percentage of total net assets attributable to unitholders at 30 June 2011 %	Percentage of total net assets attributable to unitholders at 31 December 2010 %
By Industry - Secondary Quoted Equities			
Financials	3,923,041	59.84	62.90
Information Technology	1,286,034	19.62	13.49
Portfolio of investments	5,209,075	79.46	76.39
Other net assets	1,346,114	20.54	23.61
Net assets attributable to unitholders	6,555,189	100.00	100.00

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

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

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

1. General

United Financials Multi-Strategy Funds (the “Fund”) is a Singapore registered umbrella fund constituted by a Trust Deed dated 2 June 2008 between UOB Asset Management Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The Fund comprises of two sub-funds namely, United Asia Financials Fund and United Financials Opportunities Fund which are denominated in Singapore dollars.

United Asia Financials Fund

The primary activity of the sub-fund is to achieve long-term capital growth by investing primarily in equities or equity-related securities of corporations in, or corporations listed or to be listed on stock exchanges in, or corporations (wherever located) which, in the opinion of the Managers, derive significant revenue or profits from or have significant assets or business interests in, the financial sector in the Asian Region (excluding Japan).

United Financials Opportunities Fund

The sub-fund’s investment objective is to provide investors with long term capital appreciation through investment in 10 to 20 equity or equity linked securities of institutions in the financial industry globally. The sub-fund may, from time to time, also invest in debt securities issued by institutions in the financial industry.

The United Financials Opportunities Fund is a non-specialised, open-ended collective investment scheme, which is denominated in Singapore dollars and will have a fixed investment term of five years subject to potential early termination.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars.

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

2. Significant accounting policies (continued)

(b) Recognition of income

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

(c) Investments

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

(i) *Initial recognition*

Purchase of investments are recognized on trade date. Investments are recorded at fair value on initial recognition.

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statements of Total Return in the period 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 net of transaction costs, and are taken up in the Statements of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the sub-funds is the current market quoted bid price.

(e) Foreign currency translation

(i) *Functional and presentation currency*

The sub-funds' investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in Singapore dollars and United States dollars.

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

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

2. Significant accounting policies (continued)

(e) Foreign currency translation (continued)

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statements of Total Return within the fair value net gain or loss.

(f) Expenses charged to the sub-funds

All direct expenses relating to the sub-funds are charged directly to the Statements of Total Return against the values of the respective sub-funds. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to each sub-fund based on the respective sub-fund's net asset value.

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

3. Income tax and capital gain tax

	<u>United Asia</u> <u>Financials Fund</u>	<u>United Financials</u> <u>Opportunities Fund</u>	
	30 June 2011 \$	30 June 2011 \$	30 June 2010 \$
Overseas income tax	62,761	17,129	14,904
Capital gain tax	9,823	-	-

The sub-funds were granted the status of a Designated Unit Trust and, therefore, the following income is exempt from tax in accordance with Section 35(12) of the Income Tax Act (Cap 134):

- (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 Singapore Income Tax Act); and
- (iii) dividends derived from outside Singapore and received in Singapore.

The overseas income tax represents tax deducted at source on dividends derived from outside Singapore.

The sub-funds are 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-funds' 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-funds. Therefore when measuring any uncertain tax liabilities management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

As at 30 June 2011 the sub-funds have uncertain taxes exposure with respect to gains on investment of which the tax liability is estimated to be nil. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

4. Receivables

	<u>United Asia</u> <u>Financials Fund</u>		<u>United Financials</u> <u>Opportunities Fund</u>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	\$	\$	\$	\$
Amounts receivable for creation of units	900	75,033	-	-
Dividend receivable	259,952	-	10,235	8,702
Other receivable	1,403	1,794	-	-
	262,255	76,827	10,235	8,702

5. Payables

	<u>United Asia</u> <u>Financials Fund</u>		<u>United Financials</u> <u>Opportunities Fund</u>	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	\$	\$	\$	\$
Amounts payable for cancellation of units	1,046	43,554	-	11,864
Amount due to Manager	215,193	127,143	31,109	38,244
Amount due to Trustee	4,590	2,318	2,017	2,039
Other creditors and accrued expenses	37,274	58,681	9,741	15,881
	258,103	231,696	42,867	68,028

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

6. Net assets attributable to unitholders

	<u>United Asia</u>		<u>United Financials</u>	
	<u>Financials Fund</u>		<u>Opportunities Fund</u>	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	\$	\$	\$	\$
At the beginning of the financial period/year	18,906,621	-	6,866,740	9,146,243
Operations				
Change in net assets attributable to unitholders resulting from operations	(1,592,758)	3,204,794	(51,209)	(1,600,729)
Unitholders' contributions/ (withdrawals)				
Creation of units	33,765,237	49,826,386	-	-
Cancellation of units	(6,073,393)	(34,124,559)	(260,342)	(678,774)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	27,691,844	15,701,827	(260,342)	(678,774)
Total increase/(decrease) in net assets attributable to unitholders	26,099,086	18,906,621	(311,551)	(2,279,503)
At the end of the financial period/year	45,005,707	18,906,621	6,555,189	6,866,740
Units in issue (Note 7)	45,073,861	17,882,605	9,252,163	9,613,334
	\$	\$	\$	\$
Net assets attributable to unitholders per unit	1.00	1.06	0.71	0.71

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

7. Units in issue

	<u>United Asia</u>		<u>United Financials</u>	
	<u>Financials Fund</u>		<u>Opportunities Fund</u>	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
Units at the beginning of the period/year	17,882,605	-	9,613,334	10,516,278
Units created	33,017,582	50,153,590	-	-
Units cancelled	(5,826,326)	(32,270,985)	(361,171)	(902,944)
Units at the end of the period/year	45,073,861	17,882,605	9,252,163	9,613,334

8. Financial risk management

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

The sub-funds' assets principally consist of financial instruments such as equity investments and cash. They are held in accordance with the published investment policies of the sub-funds. The allocation of assets between the various types of investments is determined by the Manager to achieve their 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-funds' investments are substantially dependent on changes in market prices. The sub-funds' investments 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-funds. Guidelines are set to reduce the sub-funds' risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the sub-funds may be hedged using derivative strategies.

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk

The sub-funds have securities denominated in currencies other than the Singapore dollars and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollars 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-funds.

The table below summarises the on-balance sheet exposure to currency risks for the sub-funds.

United Asia Financials Fund

As at 30 June 2011

	SGD \$	KRW \$	TWD \$	HKD \$	Others \$	Total \$
Assets						
Portfolio of investments	4,771,297	5,336,205	4,546,690	18,971,011	8,849,110	42,474,313
Sales awaiting settlement	-	-	-	601,201	-	601,201
Receivables	2,303	-	-	114,391	145,561	262,255
Cash and bank balances	2,576,906	24,242	416,374	129,310	45,728	3,192,560
Total Assets	7,350,506	5,360,447	4,963,064	19,815,913	9,040,399	46,530,329
Liabilities						
Purchases awaiting settlement	157,157	-	-	300,618	808,744	1,266,519
Payables	257,325	-	-	-	778	258,103
Net assets attributable to unitholders	45,005,707	-	-	-	-	45,005,707
Total Liabilities	45,420,189	-	-	300,618	809,522	46,530,329
Net currency exposure	(38,069,683)	5,360,447	4,963,064	19,515,295	8,230,877	

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Asia Financials Fund

As at 31 December 2010

	SGD \$	KRW \$	TWD \$	HKD \$	Others \$	Total \$
Assets						
Portfolio of investments	1,758,640	2,280,508	1,674,704	8,374,773	4,529,204	18,617,829
Sales awaiting settlement	-	-	-	184,056	-	184,056
Receivables	12,775	-	-	-	64,052	76,827
Cash and bank balances	151,983	3	109,610	-	25,346	286,942
Total Assets	1,923,398	2,280,511	1,784,314	8,558,829	4,618,602	19,165,654
Liabilities						
Purchases awaiting settlement	-	-	-	-	27,337	27,337
Payables	200,637	-	-	-	31,059	231,696
Net assets attributable to unitholders	18,906,621	-	-	-	-	18,906,621
Total Liabilities	19,107,258	-	-	-	58,396	19,165,654
Net currency exposure	(17,183,860)	2,280,511	1,784,314	8,558,829	4,560,206	

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Financials Opportunities Fund

As at 30 June 2011

	SGD \$	EUR \$	GBP \$	USD \$	Total \$
Assets					
Portfolio of investments	-	600,552	704,362	3,904,161	5,209,075
Sales awaiting settlement	-	-	-	53,370	53,370
Receivables	-	-	-	10,235	10,235
Cash and bank balances	1,270,536	-	-	54,840	1,325,376
Total Assets	1,270,536	600,552	704,362	4,022,606	6,598,056
Liabilities					
Payables	42,867	-	-	-	42,867
Net assets attributable to unitholders	6,555,189	-	-	-	6,555,189
Total Liabilities	6,598,056	-	-	-	6,598,056
Net currency exposure	(5,327,520)	600,552	704,362	4,022,606	

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Financials Opportunities Fund

As at 31 December 2010

	SGD \$	EUR \$	GBP \$	USD \$	Total \$
Assets					
Portfolio of investments	-	730,350	504,522	4,010,936	5,245,808
Receivables	-	-	-	8,702	8,702
Cash and bank balances	1,470,286	-	-	209,972	1,680,258
Total Assets	1,470,286	730,350	504,522	4,229,610	6,934,768
Liabilities					
Payables	66,150	-	-	1,878	68,028
Net assets attributable to unitholders	6,866,740	-	-	-	6,866,740
Total Liabilities	6,932,890	-	-	1,878	6,934,768
Net currency exposure	(5,462,604)	730,350	504,522	4,227,732	

Investments, which is the significant item in the balance sheet is exposed to currency risk and other price risk. The other price risk sensitivity analysis includes the impact of currency risk on non-monetary investments. The sub-funds' net financial assets comprise significantly non-monetary investments, hence currency risk sensitivity analysis has not been performed on the remaining financial assets.

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

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

The table below summarises the impact of increases/decreases from the sub-funds' underlying investments in equities on the sub-funds' net assets attributable to unitholders at 30 June 2011 and 31 December 2010. The analysis is based on the assumption that the index components within the benchmark increased/ decreased by a reasonable possible shift, with all other variables held constant and that the fair value of sub-funds' investments moved according to the historical correlation with the index.

Benchmark component	30 June 2011		31 December 2010	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
<u>United Asia Financials Fund</u>				
MSCI Asia ex Japan Financials ex Real Estate	781,527	20	3,686,330	20
<u>United Financials Opportunities Fund</u>				
MSCI World Finance	781,361	20	776,380	20

(iii) Interest rate risk

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

The sub-funds' financial assets and liabilities are largely non-interest bearing. Hence, the sub-funds are not subjected to risk due to fluctuations in the prevailing levels of market interest rates.

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(b) Liquidity risk

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

The sub-funds' investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The table below analyses the sub-funds' financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

United Asia Financials Fund

As at 30 June 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Purchases awaiting settlement	1,266,519	-	-	-
Payables	258,103	-	-	-
Net assets attributable to unitholders	45,005,707	-	-	-

As at 31 December 2010

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Purchases awaiting settlement	27,337	-	-	-
Payables	231,696	-	-	-
Net assets attributable to unitholders	18,906,621	-	-	-

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(b) Liquidity risk (continued)

United Financials Opportunities Fund

As at 30 June 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	42,867	-	-	-
Net assets attributable to unitholders	6,555,189	-	-	-

As at 31 December 2010

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	68,028	-	-	-
Net assets attributable to unitholders	6,866,740	-	-	-

(c) Credit risk

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

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(c) Credit risk (continued)

The table below summarizes the credit rating of banks and custodians in which the sub-funds' assets are held as at 30 June 2011 and 31 December 2010.

United Asia Financials Fund

As at 30 June 2011

	Credit rating	Source of credit rating
<u>Bank</u>		
HSBC Group	B+	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
HSBC Group	B+	Moody's

As at 31 December 2010

	Credit rating	Source of credit rating
<u>Bank</u>		
HSBC Group	B+	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
HSBC Group	B+	Moody's

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

8. Financial risk management (continued)

(c) Credit risk (continued)

United Financials Opportunities Fund

As at 30 June 2011

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B	Moody's

As at 31 December 2010

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B	Moody's

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(d) Capital management

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

United Financials Multi-Strategy Funds

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

9. Related party transactions

- (a) The Manager and the Trustee of the sub-funds are UOB Asset Management Ltd and HSBC Institutional Trust Services (Singapore) Limited respectively. UOB Asset Management Ltd is a subsidiary of United Overseas Bank Limited and HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of HSBC Holdings Plc.

Management, valuation and administration fees are paid to the Manager, while trustee fee is paid to the Trustee and the registrar fee is paid to HSBC Securities Services (Transfer Agency) Pte Ltd, a subsidiary of HSBC Holdings Plc. These fees paid or payable by the sub-funds shown in the Statements 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 period/year, the sub-funds maintained the following accounts with the related parties:

	United Asia Financials Fund		United Financials Opportunities Fund	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	\$	\$	\$	\$
<u>United Overseas Bank Limited</u>				
Bank balances	9,790	5,951	17,309	27,125
<u>HSBC Group</u>				
Bank balances	3,182,770	280,991		

United Financials Multi-Strategy Funds

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

9. Related party transactions (continued)

- (c) The following transactions took place during the financial period/year between the sub-funds and related parties at terms agreed between the parties as follows:

	United Asia Financials Fund	United Financials Opportunities Fund	
	30 June 2011	30 June 2011	30 June 2010
	\$	\$	\$
<u>United Overseas Bank Limited</u>			
Bank charges	30	30	30
Interest expense	10	-	-
	<hr/>	<hr/>	<hr/>
<u>HSBC Group</u>			
Interest income	2		
Bank charges	1,103		
Interest expense	68		
	<hr/>		

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

As at the end of the financial period, the sub-fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

	United Asia Financials Fund
	30 June 2011
	\$
Brokerage charges	1,383
	<hr/>

United Financials Multi-Strategy Funds

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2011 (Un-audited)

10. Financial ratios

	<u>United Asia</u> <u>Financials Fund</u>	<u>United Financials</u> <u>Opportunities Fund</u>	
	30 June 2011	30 June 2011	30 June 2010
Expense ratio ¹	2.46%	2.58%	2.31%
Turnover ratio ²	18.53%	20.10%	12.29%

¹ The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The sub-funds has not paid any performance fees during the period.

² The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

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