



United Asia Top 50 Fund

Semi Annual Report

for the period 1st July to
31st December 2011

UNITED ASIA TOP 50 FUND

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

MANAGER

UOB Asset Management Ltd
Registered Address:
80 Raffles Place
UOB Plaza
Singapore 048624
Company Registration No. : 198600120Z

OPERATIONS ADDRESS

80 Raffles Place
#06-00, UOB Plaza 2
Singapore 048624
Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT

Terence Ong Sea Eng
Yeo Eng Cheong
Thio Boon Kiat

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#14-01, HSBC Building
Singapore 049320

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street
#17-00, PWC Building
Singapore 048424

SOLICITORS TO THE MANAGER

Tan Peng Chin LLC
30 Raffles Place
#11-00, Chevron House
Singapore 048622

SOLICITORS TO THE TRUSTEE

Allen & Gledhill LLP
One Marina Boulevard
#28-00
Singapore 018989

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A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 22 November 1999 Ann Comp Ret
United Asia Top 50 Fund	-2.89	-16.44	-22.44	0.84	-10.28	-0.64	-3.66
Benchmark	0.09	-8.70	-13.52	5.21	-5.95	2.20	-1.98

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 AC Far East.

Fund Performance and Review

For the half year ended 31 December 2011, the unit price of the Fund **fell 16.4%** on a net asset value basis, underperforming the benchmark MSCI AC Far East Index, which **fell 8.7%** in Singapore dollar terms. Stock selection was the main reason for the underperformance.

The Fund's poor performance during the period was due to weak securities selection and unfavorable allocation. The Asian-ex-Japan portion of portfolio was too skewed to Hong Kong and China, while the Japan segment had significant exposure to industrials and Technology. As the growth outlook in Asia turned down during the year, that adversely impacted performance.

Key contributors to performance **Want Want Holdings, Hindustan Unilever, Hon Hai Precision and PT Astra International.**

Key detractors to performance were caused more by domestic industry specific reasons, and include **Furukawa Electric, Cnooc, Galaxy Entertainment, Anhui Conch and China Zhentong Auto Services.**

Over this period, we have been broadly neutral weighted against the index as we feel both regions offer enough high quality growth companies at reasonable valuations.

As at end December 2011, the Fund was positioned as follows:

Region/ Country	portfolio %	benchmark %
Japan	50.03	48.93
Asia ex Japan	48.05	51.07
Cash	1.92	
	<u>100.0</u>	<u>100.0</u>

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Market Review

Economic growth started to slow noticeably in Asia during the period under review, but has held up well compared to the developed world. Initially, export growth had slowed, but domestic demand stayed firm. However, domestic demand started to falter into late 2011. In particular, China came into focus with the purchasing managers index (PMI) dipping below 50, and signs that the real estate sector and industrial output was softening.

A significant element of the slowdown was linked to weaker domestic demand as monetary conditions were tightened across the region to contain inflation. The combination of tighter monetary conditions and weaker external demand had the effect of slowing growth down. Against a backdrop of weaker growth, corporate earning expectations also turned down in late 2011. With signs that tighter monetary conditions were effective in reining in inflation, amid a real slowdown in industrial and private sector demand, many central banks reversed their tightening stance.

Outlook and Strategy

We think the operating environment in the Asia Pacific region will continue to be challenging in the near term. The deteriorating growth environment could result in further downside risks to earnings momentum. Key risks also include a major unraveling in the European debt crisis such as a disorderly Greek exit from the EU, failed bond auctions in Europe, as well as a hard landing for China and political unrest in the Middle East.

Some of these macro risks may have already been factored in market valuations. The MSCI Asia ex-Japan market traded at a 0.5 standard deviation below the 14-year mean price-to-book level. On a price-to-earnings valuation metric, the Asia market traded at more than one standard deviation below the 10-year mean. The Japan market is similarly inexpensive. MSCI Australia price-to-book of 1.7x stood at more than one standard deviation below the historical mean, while MSCI Japan price-to-book multiple of 0.9x almost breached the 2008-2009 global financial crisis' low of 0.8x.

In the near term, easier monetary policy and excess liquidity could buoy the global markets. However, volatility could still persist given our expectations of negative earnings revision. For equities to stage a sustainable rebound, we would need to see a bottoming out in both economic and earnings indicators, as well as credible measures to address the Euro zone debt crisis, sustained slowdown in inflation, and further monetary loosening policies in China.

Against this backdrop, we have a barbell strategy to sector selection. We are currently overweight in **Consumer Staples** for its stable businesses, as well as overweight in **Energy, Industrials** and **Technology**.

Companies within the **Consumer Staples** space not only have a more defensive earnings profile, but they are expected to experience margin expansion as raw material prices decrease. In addition, the structural driver of growth which is the increase in purchasing power of the emerging markets will be compelling for many years to come. Our only concern for now is that stocks are fairly valued and have already reflected this positive outlook. As a comparison, valuations for the **Consumer Discretionary** segment are low, but the earnings for companies may still surprise on the downside. Our picks in the consumer space include *Want Want Holdings, Sundrug, Toyo Suisan and ITC Limited*.

From Beijing to Szechuan, or from Mumbai to Calcutta, or Jakarta to Jogjakarta, the most powerful driver of growth is the increase in purchasing power of the lowest income segment of the population, and the rise in demand for **consumer staples**. Put simply, it is a numbers game. Finding leading companies with local products that can benefit from this trend in rising purchasing power is a clear area of focus, but

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it is easier said than done. The Fund continues to look for opportunities in the **consumer staples** area, eg. **Want Want** (China), **Hindustan Unilever** (India), or **LG H&H** (Korea).

Another area where we see opportunities is the **Energy** sector as the world continues its search for fuel. The Energy sector has been resilient with oil prices averaging US\$111/bbl against US\$80/bbl a year ago. Some of the companies we like here include the China upstream oil explorer and producer **CNOOC**, as well as China coal producer **Shenhua Energy**. Within the offshore and marine sector, we like the oil rigs and semi-submersibles builder **Keppel Corp**.

Within the **Industrials** sector, we like companies that are leveraged to growth opportunities in Asia and other emerging markets. We are particularly upbeat in the area of factory automation, which is expected to enjoy strong secular growth due to rising production and growing sophistication at the manufacturers' level as they try to offset escalating labour costs with higher productivity. **Fanuc** is our preferred play in this space. Elsewhere, we like the resource-related plays like construction machinery manufacturer, **Komatsu**, which is expected to benefit from accelerating capital spending growth by miners.

In **Technology**, we expect a muted order recovery in the near term amidst an uncertain macro environment. The good news is excessive inventory of components are being digested across the technology food chain globally and this would bode well for the sector when demand recovers. On further share price weakness, we would look to accumulate stocks trading close to historical trough valuations, and those that are best-positioned to benefit from 2012 growth stories. The growth themes in 2012 include smart phones/tablets, slim form factor notebook PCs with energy saving features, cloud computing and data centers. Our top picks include **Hon Hai** and **Samsung Electronics**, as beneficiaries of Apple-related orders.

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B) Investments at fair value and as a percentage of NAV as at 31 December 2011 under review classified by

	Fair Value (S\$)	% of NAV
i) Country		
China	1,637,539	7.33
Hong Kong	435,077	1.95
India	1,741,273	7.79
Indonesia	1,071,028	4.79
Japan	11,179,144	50.03
Malaysia	536,985	2.40
Singapore	2,550,010	11.41
South Korea	1,446,361	6.47
Taiwan	1,320,160	5.91
Portfolio of investments	21,917,577	98.08
Other net assets	428,802	1.92
Total	22,346,379	100.00

ii) Industry		
Consumer Discretionary	3,429,945	15.35
Consumer Staples	3,462,162	15.48
Energy	1,869,069	8.36
Financials	3,663,204	16.40
Healthcare	578,285	2.59
Industrials	4,154,079	18.60
Information Technology	3,546,256	15.87
Materials	437,767	1.96
Telecommunication Services	776,810	3.47
Portfolio of investments	21,917,577	98.08
Other net assets	428,802	1.92
Total	22,346,379	100.00

iii) Asset Class		
Equities	21,917,577	98.08
Other net assets	428,802	1.92
Total	22,346,379	100.00

iv) Credit rating of debt securities

N/A

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C) Top Ten Holdings

The top 10 holdings as at 31 December 2011 and 31 December 2010

10 largest holdings at 31 December 2011

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
HON HAI PRECISION IND	886,444	3.97
CHINA SHENHUA ENERGY COMPANY LIMITED	776,928	3.48
HONDA MOTOR CO LTD	710,444	3.18
MITSUI & COMPANY LIMITED	704,866	3.15
ITC LTD	697,942	3.12
KOMATSU LIMITED	681,019	3.05
WANT WANT CHINA HOLDINGS LIMITED	679,234	3.04
SUMITOMO MITSUI FINANCIALS GROUP INCORPORATION	649,774	2.91
CANON INCORPORATION	630,292	2.82
CDL HOSPITALITY TRUST	602,550	2.70

10 largest holdings at 31 December 2010

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
ZHUZHOU CSR TIMES ELECTRIC CO LTD	1,252,433	3.82
DONGFANG ELECTRICAL MACHINE - H	1,230,763	3.75
SJM HOLDINGS LIMITED	1,113,018	3.39
CNOOC LTD	1,058,965	3.23
WINSWAY COKING COAL HOLDINGS	959,924	2.93
KOMATSU LIMITED	872,829	2.66
MITSUBISHI CORPORATION	833,215	2.54
SUMITOMO MITSUI FINANCIALS GROUP INCORPORATION	822,222	2.51
NIPPON ELECTRIC GLASS COMPANY LIMITED	813,124	2.48
HYUNDAI MOTOR COMPANY	781,114	2.38

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D) Exposure to derivatives

i) fair value of derivative contracts and as a percentage of NAV as at 31 December 2011

N/A

ii) net gains/(losses) on derivative contracts realised during the financial period ended 31 December 2011

N/A

iii) net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2011

N/A

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 31 December 2011

	Fair Value SGD	% of NAV
CDL HOSPITALITY TRUST	602,550	2.70

F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2011

N/A

G) Amount of redemptions and subscriptions for the period 01 July 2011 to 31 December 2011

Total amount of redemptions	SGD	1,873,876
Total amount of subscriptions	SGD	73,776

H) The amount and terms of related-party transactions for the period 01 July 2011 to 31 December 2011

i) As at 31 December 2011 the Fund maintained current account with the United Overseas Bank Limited as follows:

Bank balances	SGD	2,164
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ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2011

N/A

iii) Investment in Initial Public Offerings managed by UOB Group

N/A

iv) As at 31 December 2011 the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 154.

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I) Expense ratios

31 December 2011	2.09%
31 December 2010	2.05%

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

31 December 2011	44.91%
31 December 2010	37.72%

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

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 2011 and 31 December 2010

N/A

- ii) expense ratios for the period ended 31 December 2011 and 31 December 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 31 December 2011 and 31 December 2010.

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.

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

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STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2011 (Un-audited)

	Note	31 December 2011 \$	31 December 2010 \$
Income			
Dividends		224,682	314,936
Interest		15	31
		224,697	314,967
Less: Expenses			
Management fee	9	186,854	240,681
Trustee fee	9	4,983	6,418
Audit fee		6,193	5,896
Registrar fee	9	7,500	7,562
Valuation fee	9	15,571	20,057
Custody fee		10,611	15,094
Interest expenses		232	230
Other expenses		55,018	39,835
		286,962	335,773
Net loss		(62,265)	(20,806)
Net gains or losses on value of investments			
Net realised loss on investments		(802,147)	(1,527,331)
Net change in fair value on investments		(3,637,881)	4,827,328
Net realised loss on financial derivatives		-	(485,900)
Net foreign exchange (loss)/gain		(108,035)	114,786
Net (loss)/gain on value of investments		(4,548,063)	2,928,883
Total (deficit)/return for the period before income tax		(4,610,328)	2,908,077
Less : Income tax	3	(17,535)	(38,407)
Total (deficit)/return for the period		(4,627,863)	2,869,670

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

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BALANCE SHEET

As at 31 December 2011 (Un-audited)

		31 December 2011 \$	30 June 2011 \$
ASSETS			
Portfolio of investments		21,917,577	27,273,659
Receivables	4	30,077	71,100
Sales awaiting settlement		292,639	-
Cash and bank balances		226,303	4,938,515
Total Assets		22,466,596	32,283,274
LIABILITIES			
Payables	5	120,217	221,981
Purchases awaiting settlement		-	3,286,951
Net assets attributable to unitholders	6	22,346,379	28,774,342
Total Liabilities		22,466,596	32,283,274

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PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Holdings at 31 December 2011	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
By Geography – Primary Quoted Equities			
CHINA			
CHINA SHENHUA ENERGY COMPANY LIMITED	138,500	776,928	3.48
CNOOC LTD	80,000	181,377	0.81
WANT WANT CHINA HOLDINGS LIMITED	527,000	679,234	3.04
TOTAL CHINA		1,637,539	7.33
HONG KONG			
HUTCHISON WHAMPOA LTD	40,000	435,077	1.95
INDIA			
HDFC BANK LIMITED	47,612	496,226	2.22
HINDUSTAN UNILEVER LTD	55,000	547,105	2.45
ITC LTD	142,000	697,942	3.12
TOTAL INDIA		1,741,273	7.79
INDONESIA			
PT ASTRA INTERNATIONAL	50,500	534,029	2.39
PT XL AXIATA TBK	834,500	536,999	2.40
TOTAL INDONESIA		1,071,028	4.79

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PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Holdings at 31 December 2011	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
By Geography – Primary (continued)			
Quoted Equities			
JAPAN			
ABC-MART INC	4,600	226,133	1.01
CANON INCORPORATION	11,000	630,292	2.82
F.C.C. COMPANY LIMITED	20,800	546,838	2.45
FANUC CORPORATION	2,900	574,746	2.57
FURUKAWA ELECTRIC CO LTD	133,000	392,248	1.76
HONDA MOTOR CO LTD	18,000	710,444	3.18
INPEX CORPORATION	60	489,404	2.19
KOMATSU LIMITED	22,500	681,019	3.05
MITSUBISHI CORPORATION	18,000	471,405	2.11
MITSUBISHI ESTATE COMPANY	27,000	521,912	2.34
MITSUBISHI UFJ FINANCIAL GROUP	95,000	520,328	2.33
MITSUI & COMPANY LIMITED	35,000	704,866	3.15
NIDEC CORPORATION	3,000	336,718	1.51
NINTENDO	900	160,472	0.72
NIPPON ELECTRIC GLASS COMPANY LIMITED	44,000	564,297	2.52
NIPPON STEEL	136,000	437,767	1.96
SAWAI PHARMACEUTICAL CO LTD	4,300	578,285	2.59
SONY FINANCIAL HOLDINGS INC	17,000	324,314	1.45
SUMITOMO MITSUI FINANCIALS GROUP INCORPORATION	18,000	649,774	2.91
SUNDRUG COMPANY LIMITED	14,800	581,649	2.60
TOSHIBA COPPN	109,000	574,965	2.57
TOYO SUISAN KAISHA LTD	16,000	501,268	2.24
TOTAL JAPAN		11,179,144	50.03
MALAYSIA			
GENTING BERHAD	120,000	536,985	2.40

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

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As at 31 December 2011 (Un-audited)

	Holdings at 31 December 2011	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
By Geography – Primary (continued)			
Quoted Equities			
SINGAPORE			
CDL HOSPITALITY TRUST	390,000	602,550	2.70
KEPPEL CORPORATION LIMITED	60,000	558,000	2.50
OVERSEAS CHINESE BANKING CORP (LOCAL)	70,000	548,100	2.45
OVERSEAS UNION ENTERPRISE LTD	200,000	420,000	1.88
SAKARI RESOURCES LTD	229,000	421,360	1.88
TOTAL SINGAPORE		2,550,010	11.41
SOUTH KOREA			
HYUNDAI MOTOR COMPANY	1,900	455,516	2.04
LG HOUSEHOLD & HEALTH CARE LTD	830	454,964	2.03
SAMSUNG ELECTRONICS	450	535,881	2.40
TOTAL SOUTH KOREA		1,446,361	6.47
TAIWAN			
CHUNGHWA TELECOM COMPANY LIMITED	56,000	239,811	1.07
HON HAI PRECISION IND	250,000	886,444	3.97
LARGAN PRECISION COMPANY LIMITED	8,000	193,905	0.87
TOTAL TAIWAN		1,320,160	5.91
Portfolio of investments		21,917,577	98.08
Other net assets		428,802	1.92
Net assets attributable to unitholders		22,346,379	100.00

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

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As at 31 December 2011 (Un-audited)

	Percentage of total net assets attributable to unitholders at 31 December 2011 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography – Primary (Summary) Quoted Equities		
China	7.33	15.62
Hong Kong	1.95	8.68
India	7.79	-
Indonesia	4.79	2.06
Japan	50.03	45.39
Malaysia	2.40	-
Singapore	11.41	8.76
South Korea	6.47	13.18
Taiwan	5.91	1.09
	<hr/>	<hr/>
Portfolio of investments	98.08	94.78
Other net assets	1.92	5.22
	<hr/>	<hr/>
Net assets attributable to unitholders	100.00	100.00
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The accompanying notes form an integral part of these financial statements.

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PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Industry - Secondary Quoted Equities			
Consumer Discretionary	3,429,945	15.35	22.52
Consumer Staples	3,462,162	15.48	2.50
Energy	1,869,069	8.36	6.92
Financials	3,663,204	16.40	12.24
Healthcare	578,285	2.59	1.57
Industrials	4,154,079	18.60	32.87
Information Technology	3,546,256	15.87	10.34
Materials	437,767	1.96	3.30
Telecommunication Services	776,810	3.47	-
Utilities	-	-	2.52
Portfolio of investments	21,917,577	98.08	94.78
Other net assets	428,802	1.92	5.22
Net assets attributable to unitholders	22,346,379	100.00	100.00

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

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2011 (Un-audited)

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

1. General

United Asia Top 50 (the "Fund") is a Singapore registered trust fund constituted by a Trust Deed dated 28 September 1999 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 primary activity of the Fund is that of investment trading. The Fund's investment objective is to achieve long-term capital appreciation by investing, directly or indirectly, in Authorised Investments issued by not more than 50 in total of the top corporations or any other entities either unincorporated or incorporated in or whose principal operations are in, Asia, as may from time to time be determined by the Manager. These companies can be listed in any of the stock exchanges of the world.

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.

(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 recognised on trade date. Investments are recorded at fair value on initial recognition.

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2011 (Un-audited)

2. Significant accounting policies (continued)

(c) Investments (continued)

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement 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 Statement 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 Fund is the current market quoted bid price.

(e) Foreign currency translation

(i) *Functional and presentation currency*

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

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period/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 the fair value net gain or loss.

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2. Significant accounting policies (continued)

(f) Financial derivatives

Financial derivatives including forwards and swaps are entered into for the purpose of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Financial derivatives outstanding at the balance sheet date are valued at forward rates or at current market prices using the "mark-to-market" method, as applicable, and the resultant gains and losses are taken up in the Statement of Total Return.

(g) Expenses charged to the Fund

All direct expenses relating to the Fund are charged directly to the Statement of Total Return. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to each Fund based on the respective Fund's net asset value.

3. Income tax

	31 December 2011	31 December 2010
	\$	\$
Overseas income tax	14,921	38,407
Singapore income tax	2,614	-
Total Income tax	17,535	38,407

The Fund was 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 Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax withheld on foreign sourced income.

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4. Receivables

	31 December 2011	30 June 2011
	\$	\$
Amounts receivable for creation of units	15,500	788
Dividend receivable	14,577	70,312
	30,077	71,100

5. Payables

	31 December 2011	30 June 2011
	\$	\$
Amounts payable for cancellation of units	12,752	79,306
Amount due to Manager	95,206	118,845
Amount due to Trustee	2,327	2,925
Other creditors and accrued expenses	9,932	20,905
	120,217	221,981

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For the half year ended 31 December 2011 (Un-audited)

6. Net assets attributable to unitholders

	31 December 2011	30 June 2011
	\$	\$
At the beginning of the financial period/year	28,774,342	31,315,851
Operations		
Change in net assets attributable to unitholders resulting from operations	(4,627,863)	608,783
Unitholders' contributions/(withdrawals)		
Creation of units	73,776	130,512
Cancellation of units	(1,873,876)	(3,280,804)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(1,800,100)	(3,150,292)
Total decrease in net assets attributable to unitholders	(6,427,963)	(2,541,509)
At the end of the financial period/year	22,346,379	28,774,342
Units in issue (Note 7)	36,980,797	39,775,204
	\$	\$
Net assets attributable to unitholders per unit	0.60	0.72

7. Units in issue

	31 December 2011	30 June 2011
Units at beginning of the period/year	39,775,204	43,967,534
Units created	117,783	177,117
Units cancelled	(2,912,190)	(4,369,447)
Units at end of the period/year	36,980,797	39,775,204

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8. Financial risk management

The Fund's activities expose it to a variety of financial risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use 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 Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

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

(i) Foreign exchange risk

The Fund has 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 Fund.

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For the half year ended 31 December 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2011

	SGD \$	JPY \$	TWD \$	HKD \$	Others \$	Total \$
Assets						
Portfolio of investments	2,550,010	11,179,144	1,320,160	2,072,616	4,795,647	21,917,577
Receivables	15,500	14,577	-	-	-	30,077
Sales awaiting settlement	-	-	-	-	292,639	292,639
Cash and bank balances	188,598	-	34,717	-	2,988	226,303
Total Assets	2,754,108	11,193,721	1,354,877	2,072,616	5,091,274	22,466,596
Liabilities						
Payables	120,217	-	-	-	-	120,217
Net assets attributable to unitholders	22,346,379	-	-	-	-	22,346,379
Total Liabilities	22,466,596	-	-	-	-	22,466,596
Net currency exposure	(19,712,488)	11,193,721	1,354,877	2,072,616	5,091,274	

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For the half year ended 31 December 2011 (Un-audited)

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2011

	SGD	JPY	TWD	HKD	Others	Total
	\$	\$	\$	\$	\$	\$
Assets						
Portfolio of investments	2,520,500	13,058,990	314,555	6,993,372	4,386,242	27,273,659
Receivables	788	26,365	-	43,947	-	71,100
Cash and bank balances	4,565,979	39,336	306,654	-	26,546	4,938,515
Total Assets	7,087,267	13,124,691	621,209	7,037,319	4,412,788	32,283,274
Liabilities						
Payables	217,167	4,814	-	-	-	221,981
Purchases awaiting settlement	2,233,035	1,053,916	-	-	-	3,286,951
Net assets attributable to unitholders	28,774,342	-	-	-	-	28,774,342
Total Liabilities	31,224,544	1,058,730	-	-	-	32,283,274
Net currency exposure	(24,137,277)	12,065,961	621,209	7,037,319	4,412,788	

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 Fund's net financial assets comprise significantly non-monetary investments, hence currency risk sensitivity analysis has not been performed on the remaining financial assets.

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For the half year ended 31 December 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 Fund's underlying investments in equities on the Fund's net assets attributable to unitholders at 31 December 2011 and 30 June 2011. 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 Fund's investments moved according to the historical correlation with the index.

Benchmark component	31 December 2011		30 June 2011	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
MSCI AC Far East	4,471,186	20	5,836,563	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 Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

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8. Financial risk management (continued)

(b) Liquidity risk

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

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

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the 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.

As at 31 December 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	120,217	-	-	-
Net assets attributable to unitholders	22,346,379	-	-	-

As at 30 June 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	221,981	-	-	-
Purchases awaiting settlement	3,286,951	-	-	-
Net assets attributable to unitholders	28,774,342	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2011 (Un-audited)

8. Financial risk management (continued)

(c) Credit risk

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

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2011 and 30 June 2011.

As at 31 December 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 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

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

(d) Capital management

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

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For the half year ended 31 December 2011 (Un-audited)

9. Related party transactions

- (a) The Manager and the Trustee of the Fund 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 and valuation fees are paid to the Manager, while trustee fee is paid to the Trustee and the registrar fee is paid to HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of HSBC Holdings Plc. These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

- (b) As at the end of the financial period/year, the Fund maintained the following accounts with the related party:

	31 December 2011	30 June 2011
	\$	\$
<u>United Overseas Bank Limited</u>		
Bank balances	2,164	26,960

- (c) The following transactions took place during the financial period between the Fund and United Overseas Bank Limited at terms agreed between the parties as follows:

	31 December 2011	30 December 2010
	\$	\$
Interest expense	-	10
Bank charges	30	30

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

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

	31 December 2011	30 December 2010
	\$	\$
Brokerage charges	154	355

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10. Financial ratios

	31 December 2011	31 December 2010
Expense ratio ¹	2.09%	2.05%
Turnover ratio ²	44.91%	37.72%

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 Fund does not pay any performance fees.

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

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