

# United Choice Portfolios

- Asian Bond Fund
- E-Commerce Fund
- Sure Fund

## Semi Annual Report

for the period 1<sup>st</sup> July to  
31<sup>st</sup> December 2009



# United Choice Portfolios

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

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## **MANAGER**

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Company Registration No. : 198600120Z

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# United E-Commerce 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
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Inception 05 April 2000 Ann Comp Ret
United E-Commerce Fund	9.09	20.00	35.48	-1.48	0.90	N/A	-16.32
Benchmark	3.69	18.56	26.67	-8.36	-1.02	N/A	-2.25

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 World Index

For the half year ending 31 December 2009, the unit price of the Fund increased **20.0%** on a net asset value basis outperforming the benchmark MSCI World Index which increased 18.6%, in Singapore dollar terms.

The Fund's outperformance can be attributed to its positioning in PC hardware components companies, most of which performed better than the broader market, boosted by inventory restocking. The Fund also took tactical positioning in Internet/multi-channel retailers and online search engines/content players/gamers which also aided performance.

Key contributors to performance were **Apple** (US), **Microsoft** (US), **IBM** (US), **Amazon** (US), **Autonomy** (UK) and **Temenos** (Switzerland).

Key detractors to performance were **Nintendo** (Japan), **Indra Sistemas** (Spain), **Nokia** (Finland), **Wal-Mart** (US) and **Coca-Cola** (US).

As at 31 December 2009, the Fund's geographic exposure was the US/Canada (54.4%), Europe (18.4%), Japan (6.2%) and Asia ex-Japan (18.2%).

## Market and Portfolio Review

### E-commerce Sector

The period under review has been an extremely difficult time for global retailers especially those with sales principally in the developed economies. Rising unemployment, coupled with the negative wealth effect from declining property and equity prices, have led to households pulling back spending. Although retail sales in the developed countries picked up in the second half of 2009, they are still not back to the levels seen before the crisis.

Against this background, we invested in companies that enjoy strong operating margins and that have cost structures flexible enough to withstand swings in demand. These companies usually achieve operating leverage through the use of e-commerce platforms. **Amazon**, **Wal-Mart**, **Visa**, and **Global Payments** were our key holdings in this space during this period.

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## Internet/ Internet gaming

Opportunities arose in the online advertising sector as the macro environment improved. Unlike traditional advertising which is expected to contract by 1.4% in 2010, online advertising spending is expected to grow by 16.8% in 2010. Expanding Internet usage, higher broadband penetration rates, rising awareness and the greater availability of products and services over the Internet are driving this surge. Online advertising spending is expected to exceed the TV advertising market in the next few years. The Fund maintained exposure to the online advertising space through **Google**, **NHN** and **Microsoft**.

The Fund has also increased its exposure to Internet online gaming companies. Like online advertising, online gaming is expected to grow strongly (20% in 2010). The fast growing market and favourable operating leverage will translate to strong future earnings growth. **Shanda Games**, **Changyou.com** and **NCsoft** were added to the portfolio during the period under review.

## IT Sector

The Fund raised its exposure to the Technology sector during the year. We turned more positive due to evidence of inventory restocking across the supply chain and a pick up in demand. With inventories across the sector still lean and a demand outlook that appears resilient, the sector is poised for a healthy rebound into 2010.

Worldwide PC shipments grew modestly at 5% in 2009. This is a sharp improvement from two quarters ago when unit shipments were forecasted to contract between 5% and 10%. Strong holiday sales drove the surprise. Portable PC sales continue to grow faster than desktop PCs. We favour PC hardware and components companies such as **Dell**, **Hewlett Packard**, **Micron**, **Elpida** and **LG Display**, which offer exposure to this segment.

There are some interesting product developments in Software/Services. Tech heavyweight **Microsoft** launched its Windows 7 (Win7) operating system (OS) in October 2009. So far, feedback has been positive, suggesting that the potential adoption by corporations remains on track. In fact, several major Fortune 500 companies have announced plans to migrate to Win7 once the evaluation process is completed. This further underpins Win7's credibility and the likelihood that it kicks off the PC replacement cycle, which is long overdue.

**Autonomy** was the best performing enterprise software company in our portfolio. Demand for complex enterprise solutions is largely driven by regulatory requirements. Enterprise software bellwethers, **IBM** and **Accenture**, held up well despite the challenging environment. Both companies are aggressively managing costs to offset falling sales. While major contracts have yet to materialise, we are encouraged by reports that demand has stabilised and that corporate spending patterns will likely track IT budgets.

## Outlook and Strategy

The Internet gaming industry will continue to be an area that the Fund will focus on. The key end markets here are China and Korea. China's Internet penetration rate is expected to hit almost 28% in 2010, adding roughly 90 million new users alone in that year, a staggering figure. **Shanda Games**, **Changyou.com** and **NCsoft** are among the leading content providers or game publishers which have a strong presence in China.

# United E-Commerce Fund

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We are also positive on the medium term outlook for the Technology sector due to favourable volume trends. Key among these are i) Corporate PC replacement cycle is on track and this will benefit the PC food chain ii) IT spending is set to normalise in 2010 after the severe cutbacks in 2009 and this should accelerate the demand for enterprise software and services iii) Smartphone penetration rates are likely continue to rise in the consumer segment iv) A slew of new products in particular LED TVs, e-book readers and tablet PCs are slated for launch.

After a strong recovery in demand in late 2009, we expect PC shipments to grow by at least 15% in 2010. Unlike 2009 where consumer demand was the main demand driver, we expect corporate demand to kick in in the second half of 2010 and in a meaningful manner. The need to improve productivity and lower maintenance costs is driving the replacement cycle. As the PC replacement cycle kicks in, the PC food chain should benefit significantly and deliver good earnings growth. We expect **Microsoft, Intel, Micron Technology, Dell** and **Hewlett Packard** to be the main beneficiaries.

IT software and services spending is expected to rebound in 2010 after a weak 2009. Anecdotal reports from leading IT outsourcing vendors such as **Accenture** and **Infosys** suggest that IT spending is tracking according to plan, with risks of a cutback being remote. We continue to favour enterprise software providers such as **IBM, Microsoft, Oracle** and **Autonomy** as they have strong recurring maintenance revenue to ride out the downturn while benefiting from an IT investment cycle in an upturn.

Three key trends are creating new opportunities for investment. They include i) A switch to LED TVs ii) The adoption of e-book readers iii) The emergence of tablet PCs.

LED TVs are fast replacing LCD TVs as the price differential is narrowing very rapidly. The industrial design and picture quality of LED TVs are far superior to LCD TVs. Besides LED TV OEMs such as **LG Display** and **AU Optronics**, we also like the upstream LED component and equipment makers. The strong demand for LED TV has created a situation where there are now shortages in components. This benefits the upstream suppliers like **Aixtron** and **Epistar**.

The e-book reader is fast becoming a must-have gadget for consumers and we expect demand to pick up significantly in 2010 as retail prices fall. **Prime View** is the world's technology leader in supplying the core display component for e-book readers. **AU Optronics** has also successfully commercialised a similar display technology which can be used in e-book readers.

The tablet PC is another hot gadget that will hit the stores this year. Thanks to the publicity created by **Apple's** upcoming launch of its tablet Mac known as iSlate, **Microsoft, Hewlett Packard** and **Dell** have announced plans to launch tablet PCs during a recent Consumer Electronics Show. While the tablet PC is not new to the market, we believe the take-up rate could become significant with lower prices. With major OEMs announcing plans to jump on this bandwagon, we believe a new sub product will emerge as happened with the Netbook.

Since the Tech bubble, there have been significant positive changes in the Technology sector. Tech companies have maintained strong financial discipline and this has restore profitability. E-commerce continues to become more and more a way of life globally, creating opportunities among the Internet and gaming sectors. Given expectations of a pick up in demand in both the consumer and corporate sectors, we believe the next few years will offer interesting opportunities for technology investors.

# United E-Commerce Fund

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## B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by

	Fair Value (S\$)	% of NAV
<b>i) Country</b>		
Canada	380,013	3.34
China	325,924	2.87
France	231,685	2.04
Germany	604,078	5.32
Japan	704,450	6.21
South Korea	844,593	7.44
Switzerland	437,588	3.86
Taiwan	894,464	7.88
United Kingdom	814,287	7.18
United States	5,799,207	51.10
Portfolio of investments	11,036,289	97.24
Other net assets	312,872	2.76
<b>Total</b>	<b>11,349,161</b>	<b>100.00</b>
<b>ii) Industry</b>		
Consumer Discretionary	496,740	4.37
Consumer Staples	270,045	2.38
Financials	159,649	1.41
Information Technology	10,109,855	89.08
Portfolio of investments	11,036,289	97.24
Other net assets	312,872	2.76
<b>Total</b>	<b>11,349,161</b>	<b>100.00</b>
<b>iii) Asset Class</b>		
Equities	11,036,289	97.24
Other net assets	312,872	2.76
<b>Total</b>	<b>11,349,161</b>	<b>100.00</b>
<b>iv) Credit rating of debt securities</b>		
N/A		

# United E-Commerce Fund

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## C) Top Ten Holdings

The top 10 holdings as at 31 December 2009 and 31 December 2008

### 10 largest holdings at 31 December 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
INTEL BUSINESS MACHINES CORPORATION	569,399	5.02
MICROSOFT CORPORATION COMPANY	513,504	4.52
TEMENOS GROUP AG - REG	437,588	3.86
AUTONOMY CORPORATION PLC	410,818	3.62
CSR PLC	403,469	3.56
GOOGLE INC ACT A	391,698	3.45
APPLE INC	390,506	3.44
RESEARCH IN MOTION LIMITED	380,013	3.34
HEWLETT PACKARD	379,369	3.34
GLOBAL PAYMENTS INC	378,151	3.33

### 10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MCDONALDS CORPORATION COMPANY	401,678	4.56
INTERNATIONAL BUSINESS COMPANY	374,558	4.25
CVS CAREMARK CORPORATION	350,678	3.98
MICROSOFT CORPORATION COMPANY	334,990	3.80
INDRA SISTEMAS SA	294,075	3.34
TEMENOS GROUP AG - REG	293,188	3.33
WAL-MART STORES	289,549	3.29
ORACLE CORPORATION COMPANY	279,589	3.17
AUTONOMY CORPORATION PLC	276,431	3.14
HEWLETT PACKARD	273,289	3.10

# United E-Commerce Fund

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

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## D) Exposure to derivatives

- i) fair value of derivative contracts and as a percentage of NAV as at 31 December 2009  
N/A
- ii) net gains/losses on derivative contracts realised during the financial period ended 31 December 2009  
N/A
- iii) net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2009  
N/A

## E) Amount and percentage of net asset value (NAV) invested in other schemes as at 31 December 2009

N/A

## F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2009

N/A

## G) Amount of redemptions and subscriptions for the period 01 July 2009 to 31 December 2009

Total amount of redemptions	SGD	338,759
Total amount of subscriptions	SGD	70,761

## H) The amount and terms of related-party transactions for the period 01 July 2009 to 31 December 2009

- i) As at 31 December 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows :  

Bank balances	SGD	13,400
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- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2009  
N/A
- iii) Investment in Initial Public Offerings managed by UOB Group  
N/A
- iv) As at 31 December 2009 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

# United E-Commerce Fund

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## I) Expense ratios

31 December 2009	2.05%
31 December 2008	1.96%

*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 2009	41.69%
31 December 2008	21.25%

*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")<sup>1</sup> should be disclosed as well

- i) top 10 holdings at fair value and as percentage of NAV as at 31 December 2009 and 31 December 2008

N/A

- ii) expense ratios for the period ended 31 December 2009 and 31 December 2008. 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 2009 and 31 December 2008

N/A

<sup>1</sup> 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 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.

# United Asian Bond 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
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Inception 05 April 2000 Ann Comp Ret
United Asian Bond Fund	2.89	12.02	24.97	4.17	3.04	N/A	6.19
Benchmark	1.86	7.36	25.01	3.70	3.66	N/A	6.76

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: Apr 00-Jul 03: JP Morgan Emerging Markets Bond Index Global Constrained Asia; Aug 03-Dec06: JP Morgan Asia Bond Total Return Composite. Jan 07-Present: JP Morgan Asia Credit Index Total Return Composite.

For the six months ended 31 December 2009, the Fund increased **12.0%** on a net-asset-value basis, compared to the 7.4% increase in the benchmark JP Morgan Asia Credit Index (JACI) Total Return Composite in Singapore dollar terms.

During the period under review, the Fund's better performance versus its benchmark was due to **sector** and **credit** selection. In the second half of the year, after the massive collapse in credit spreads, the Fund was neutral versus benchmark on high yield and high grade bonds. It focused primarily on relative value analysis within the sector and credits.

The Fund's performance was helped by its *overweight* in **Quasi-Sovereigns** and **Financials**, particularly in **Korea** in the Quasi-Sovereign space. Given the huge external funding needs of Korea Quasi-Sovereigns, there was good value buying into these bonds as the companies were required to pay higher interest costs for funding. Furthermore, investments in Quasi-Sovereigns gave a higher yield pick-up over Sovereigns with similar risk factors. The Fund's *overweight* in Financials was mainly driven by fundamental value. The overall financial performance of Asian banks stemmed from their adequacy in capital levels and strong liquidity positions as the market recovered from the financial crisis.

As at the end of the year 2009, the country allocation of the Fund was: 34.3% in **Korea**, 19.4% in **Indonesia**, 13.5% in **Hong Kong**, 9.0% in **Malaysia**, 7.0% in the **Philippines**, 6.6% in **Singapore**, 6.4% in **China** with the remaining in **Thailand**, **India** and cash. The Fund is predominantly invested in **Quasi-Sovereigns** (14.3%), **Financials** (28.3%), **Industrials** (11.3%) and **Sovereigns** (14.4%). As at end December 2009, the Fund was 99% invested with the rest in cash. The Fund had a yield to maturity of 5.66% and duration of 4.36 years with a weighted average rating of BBB+ (investment grade).

## Economic and Market Outlook

Continued abundant liquidity was the biggest driving factor benefiting Asian credit spread as we finished the year 2009. This force seems unabated as investors continue to hunt for yield under the expected low policy rates in the first quarter of 2010.

# United Asian Bond Fund

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

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With improving fundamentals, further spread tightening in Asia credits seem justified, with a distinct possibility of a liquidity-driven overshoot. But how much further can spreads compress? The current Asia credit spread of 295 bps is pricing in 6.5% GDP growth, while at its peak, the spread of 795 bps on 23<sup>rd</sup> November 2008 was pricing in 3.5% GDP growth versus actual GDP growth of 3.0% in Q1 2009. On the back of a liquidity-driven economic recovery and our expectation of a strong Asia export recovery in Q1 2010, a 7.3% growth target for Asia-10 next year is highly probable. Hence, we expect Asia credit spread to compress further from here. Based on historical ranges, credit remains cheap in the high grade space with another 38bp of tightening potential while value in high yield credits will come from credit selection.

Based on current valuations, out-performance in the high grade space will come from BBB corporate and Asia bank paper, particularly in lower tier-2 and senior bank debt. In the high yield space, at current valuations, there is more potential in high yield corporates than sovereigns.

## Fund Strategy

In the Asia credit market, we are biased towards further credit spread tightening on the back of our expectation for a strong Asia export recovery in the first quarter of 2010. The main theme for Asian US dollar bonds in Q1 2010 will still be spread compression. We continue to overweight financials across all capital structures including the callable bonds as extension risks abate. The new regulatory capital requirements proposed by the Basel Committee in December 2009 are likely to cap issuance volume in the Tier 1 and Upper Tier 2 debts as the terms are less friendly to investors. Hence, this provides technical support for the existing issuance of financial banks in the Tier 1 space.

Asia's high grade corporates continue to trade at an attractive discount to similarly rated corporates in the US. Across the ratings spectrum in the high grade space, the single A to BBB rated corporates have the largest basis spreads versus higher rated credits (i.e. triple A rated). The good spread difference in this spectrum against its historical trend suggests that spreads have further scope to tighten as risk expectations moderate on improving macro economic data.

In the high yield sector, we prefer the high quality **corporate bonds**, with a particular preference for the Indonesian coal sector (such as **Adaro** and **Buma**) as they offer more value than the sovereigns and quasi-sovereigns. As the Asia high yield sector is negatively correlated to the Chinese stock market, this will be an important barometer for risk appetite in the Asia high yield space.

In the high yield space, we prefer **Indonesia** over the **Philippines** as the former's growth momentum is strong and inflation is subdued while in the Philippines, fiscal risk is mounting due to poor revenue administration and the upcoming elections this year, which could slow down reforms. The Fund has an *overweight* in Indonesia quasi-sovereigns and corporate bonds.

# United Asian Bond Fund

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

## B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by

	Fair Value (S\$)	% of NAV
<b>i) Country</b>		
<b><u>Quoted Bonds</u></b>		
China	2,022,173	6.44
Hong Kong	4,233,153	13.48
India	279,809	0.89
Indonesia	6,093,331	19.41
Malaysia	2,817,669	8.97
Philippines	2,165,160	6.90
Singapore	2,062,581	6.57
South Korea	10,775,672	34.32
Thailand	639,280	2.04
<b><u>Asset Backed Securities</u></b>		
Philippines	19,949	0.06
Portfolio of investments	31,108,777	99.08
Other net assets	287,976	0.92
<b>Total</b>	<b>31,396,753</b>	<b>100.00</b>
<b>ii) Industry</b>		
Consumer Discretionary	409,408	1.30
Energy	3,968,001	12.64
Financials	8,879,963	28.28
Government	4,529,766	14.43
Government Agency	4,479,432	14.27
Industrials	3,551,133	11.31
Materials	433,998	1.38
Special Purpose Entity	344,902	1.10
Telecom Services	454,543	1.45
Utilities	4,057,631	12.92
Portfolio of investments	31,108,777	99.08
Other net assets	287,976	0.92
<b>Total</b>	<b>31,396,753</b>	<b>100.00</b>

# United Asian Bond Fund

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

## B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by (continued)

	Fair Value (S\$)	% of NAV
<b>iii) Asset Class</b>		
Fixed Income	31,088,828	99.02
Asset backed Securities	19,949	0.06
Other net assets	287,976	0.92
<b>Total</b>	<b>31,396,753</b>	<b>100.00</b>
<b>iv) Credit rating of debt securities by S&amp; P</b>		
AA	586,618	1.87
A	11,380,531	36.25
BBB	5,418,879	17.26
BB	8,015,429	25.53
NA	5,707,320	18.17
<b>Total</b>	<b>31,108,777</b>	<b>99.08</b>
<b>v) Credit rating of debt securities by Moody's</b>		
Aa	1,905,758	6.07
A	13,660,232	43.51
Baa	3,127,709	9.96
Ba	8,731,942	27.81
NA	3,683,136	11.73
<b>Total</b>	<b>31,108,777</b>	<b>99.08</b>

# United Asian Bond Fund

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## C) Top Ten Holdings

The top 10 holdings as at 31 December 2009 and 31 December 2008

### 10 largest holdings at 31 December 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MAJAPAHIT HOLD 8% DUE 07/08/2019	1,841,873	5.87
IND BK OF KOREA 7.125% DUE 23/04/2014	1,750,432	5.58
PERUSAHAAN PENERBIT 8.8% DUE 23/04/2014	1,652,731	5.26
COSCO PACIF FIN 5.875% DUE 03/10/2013	1,497,016	4.77
CMHI 5.375% DUE 09/03/2015	1,467,498	4.68
KOREA WATER RES 4.875% DUE 12/11/2014	1,418,254	4.52
DBS CAP FUND COR FRN DUE 29/03/2049	1,319,140	4.20
PETRONAS SUKUK 4.25% DUE 12/08/2014	1,146,335	3.65
PSALM 7.25% DUE 27/05/2019	1,136,479	3.62
SHINHAN BANK FRN DUE 02/03/2035	1,106,328	3.52

### 10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
HKCG FINANCE LTD 6.25% DUE 08/07/2018	2,392,052	6.70
DBS CAPITAL FUNDING CORP 7.657% DUE 15/03/49	1,866,195	5.22
KOREA WATER RES 4.875% DUE 11/12/14	1,601,398	4.48
TM GLOBAL INCORPORATED 5.25% DUE 22/09/14	1,558,091	4.36
MISC CAPITAL LTD 6.125% DUE 07/01/2014	1,496,305	4.19
COSCO PACIF FIN 5.875% DUE 03/10/2013	1,412,554	3.95
SK TELECOM CO LTD 4.25% DUE 01/04/2011	1,379,108	3.86
CMHI 5.375% DUE 09/03/2015	1,283,883	3.59
KT CORP 5.875% DUE 24/06/2014	1,278,190	3.58
DBS BANK LTD 5% 15/11/2019	1,260,057	3.53

# United Asian Bond Fund

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

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## D) Exposure to derivatives

- i) fair value of derivative contracts and as a percentage of NAV as at 31 December 2009

	31 December 2009				
	Contract or underlying principal amount (S\$)	Positive fair value (S\$)	% of NAV	Negative fair value (S\$)	% of NAV
Forward foreign exchange contracts	11,781,980	54,092	0.17	26,226	0.08

- ii) There was a net gain of SGD 255,369 on derivative contracts realised during the financial period ended 31 December 2009
- iii) There was a net gain of SGD 27,866 on outstanding derivative contracts marked to market as at 31 December 2009

## E) Amount and percentage of net asset value (NAV) invested in other schemes as at 31 December 2009

N/A

## F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2009

N/A

## G) Amount of redemptions and subscriptions for the period 01 July 2009 to 31 December 2009

Total amount of redemptions	SGD	7,028,238
Total amount of subscriptions	SGD	2,618,342

## H) The amount and terms of related-party transactions for the period 01 July 2009 to 31 December 2009

- i) As at 31 December 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows :

Bank balances	SGD	72,275
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# United Asian Bond Fund

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

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## H) The amount and terms of related-party transactions for the period 01 July 2009 to 31 December 2009 (continued)

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2009

Holdings of United Asian Bond Fund as at 31 December 2009 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) Union - Overseas Insurance Fund	500,000.00	1.566	783,000.00
b) Union - Singapore Insurance Fund	1,000,000.00	1.566	1,566,000.00
c) United Overseas Insurance - Shareholders' Fund	1,146,008.03	1.566	1,794,648.57
d) Union - Shareholders' Fund	2,000,000.00	1.566	3,132,000.00
e) United Overseas Insurance - Singapore Insurance Fund	2,324,533.89	1.566	3,640,220.07
f) United Asia Active Allocation Fund	6,600,000.00	1.566	10,335,600.00

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

N/A

- iv) As at 31 December 2009 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

## I) Expense ratios

31 December 2009	1.36%
31 December 2008	1.28%

*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 2009	564.31%
31 December 2008	28.53%

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

# United Asian Bond Fund

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

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**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”)<sup>1</sup> should be disclosed as well**

- i) top 10 holdings at fair value and as percentage of NAV as at 31 December 2009 and 31 December 2008

N/A

- ii) expense ratios for the period ended 31 December 2009 and 31 December 2008. 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 2009 and 31 December 2008

N/A

**M) Soft dollar commissions/arrangements**

There were no soft dollar arrangements, rebates, commissions or other monetary incentives received by UOB Asset Management Ltd.

<sup>1</sup> 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 Sure 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 Inception
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	12 April 2001 Ann Comp Ret
United Sure Fund	-1.05	13.32	12.58	-9.64	-1.55	N/A	2.66
Benchmark	4.25	19.62	31.19	-7.34	-0.10	N/A	-0.17

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: Launch – Jun 05: FTSE World Series World EUR; Jul 05 – Present : MSCI AC World Index

For the half year ending 31 December 2009, the unit price of the Fund **rose 13.3%** on a net asset value basis, compared with the benchmark MSCI AC World Free Index which **rose 19.6%** in Singapore dollar terms. The Fund's underperformance was mainly due to stock selection.

Given its income mandate, the Fund traditionally runs with overweight positions in the defensive sectors that have more stable cash flows. However over the period under review the sector exposure of the Fund was closer to that of the benchmark. Market bottoms are points in the cycle where poorer quality, high beta, operationally leveraged companies rally as stabilising economies and improving credit conditions boost their chances of survival. These companies in general are not dividend yielding companies. Dividend yielding companies tend to be larger cap, more established companies that have businesses with predictable cash flows, and are less operationally leveraged.

Notable contributors to performance during the period were: **HSBC** (Financials), **BHP Billiton** (Materials), **Microsoft** (Technology), **China Coal** (Materials), **Emerson Electric** (Industrials) and **Banco Bilbao** (Brazilian Financial). Other than China Coal, these companies were large cap stocks with market caps in excess of US\$30b.

Key drags on our performance were **Allied Irish**, **Bank of Ireland** and **NYSE Euronext** (Financials).

Some of the regional exposures were more a derivative of the bias toward higher yielding companies and not an indication of preference for the respective regions. For example, the Fund in general has little exposure to Japan and is overweight Europe.

# United Sure Fund

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

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As at end December 2009, the sector and regional allocations were as follows:

<b>Sector</b>	<b>%</b>
Consumer Discretionary	7.6
Consumer Staples	7.7
Energy	7.5
Financials	18.8
Healthcare	7.2
Industrials	20.2
IT	11.8
Materials	8.0
Property Trust	0.8
Telecom Services	4.3
Utilities	3.8
Cash	2.3
	<b>100</b>

<b>Region</b>	<b>%</b>
Americas	45.8
Europe	31.4
Australia	4.8
Asia ex Japan	15.7
Cash	2.3
	<b>100</b>

## Market Review

Equity markets performed strongly during the period under review. The market, which had bottomed in March, gained strength over the second half of 2009 as uncertainty over the banking sector receded, credit markets began functioning again and leading economic indicators continued to move upwards. The repeated assurance by the major central banks that they would keep interest rates very low contributed to the recovery of risk appetite. Corporate profits surprised positively as firms were very aggressive in controlling labour cost and capital expenditure.

Emerging Markets outperformed the Developed Markets by a huge margin during this period. One reason for the outperformance was the economic resilience of Emerging Markets in the face of the deep global recession. Meanwhile ongoing deleveraging and weak prospects for growth in the G7 weighed on Developed Market equities.

Although the very low interest rates helped revive risk appetite, there was a growing concern that the unprecedented amount of liquidity would lead to asset prices overshooting. Central banks in Australia and Norway, both resource-based economies, began hiking interest rates towards the end of the year. The largest concerns about asset prices overshooting was evident in the Emerging Markets and policymakers there have been responding with administrative measures. Lending caps were introduced in the property market in Hong Kong, South Korea and China. Taiwan placed restriction on foreigners placing time deposits. Brazil introduced a portfolio tax to slow down foreign inflows. China begun tightening monetary policy in the first weeks of 2010.

In terms of sector performance, cyclicals outperformed defensive sectors. The top performing sectors were Materials (31.8%), Information Technology (24.4%) and Consumer Discretionary (22.0%), while Utilities and Telecom Services performed the worst at 11.0% and 13.8% respectively.

# United Sure Fund

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

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## Outlook and Strategy

We enter 2010 with equity markets more fairly priced and with investors increasingly focussed on the prospects for monetary tightening. Tightening will not be synchronised and this will likely result in the different regions reacting to changes in policies as they surface. This may add to volatility for equities. While it is reasonable to expect equity returns to still be positive this year as earnings improve, returns are likely to be modest compared to 2009.

In light of this, dividend yielding stocks can provide a safe alternative for equity investors. At this point of the economic cycle, dividend payers tend to be large cap stocks, and many of these companies have a diversified business mix. As mentioned, these companies also tend to be less financially leveraged – an advantageous profile in an environment where the market is likely to be dominated by the issue of interest rate hikes.

As the global recession likely ended midway through 2009, dividend cuts for these companies are unlikely. Short term interest rates globally are currently still near zero, and some of these dividend payers are very attractive alternatives to holding cash or money market funds.

From a sector perspective, here is a summary of the investments we deem attractive:

## Industrials

We mentioned in our prior report we were warming up to the Industrials as an exposure to cyclicals. So far, other than strength within selected Asian industrial companies, the developed market Industrials have yet to see any clear demand recovery. We however continue to view this sector as attractive.

In the US, a weak dollar, improving credit conditions and the strong likelihood that capex will outpace consumer expenditure will underpin Industrials in 2010. We are positioning the Fund in the early and mid cyclical companies that will benefit from the recovery in industrial production. We continue to invest in companies that are beginning to see firming orders e.g. **Emerson Electric** (Electrical Equipment). We also continue to be optimistic about infrastructure spending. We remain invested in **General Electric** and have recently added **Flowserve Corporation**, a company in the industrial flow management equipment business, providing pumps, valves and seals to the energy, chemical processing and power generation industries.

In Europe, we favour investments in early to mid cyclical companies like **SKF** and **Phillips Electronics**. We also have **ABB** which provides exposure to the global electricity distribution and transmission sector, which has positive multi year prospects. We recently added **Sandvick** which offers exposure to the mining and early cyclical machinery sector.

## Telecom Services

Another sector we favour is Telecom Services. Valuations of the sector are at a historical low and in certain cases, the dividend yields exceed their bond yields. Telcos offer stable cash generation, and positive operational trends for both wireless & wireline. **AT&T** and **Verizon**, the two dominant service providers in the US trade at historically low 10-12x FY10 PE and 5-6x EV/Ebitda and have dividend yields of 6%.

# United Sure Fund

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

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In Europe, incumbents like **Telefonica** and **KPN** missed top line estimates in 2009, but still met profitability and cash flow targets by controlling operating expenses and cutting capex. They have also stuck to their dividend targets. These integrated incumbents offer scale and geographic diversification, strong balance sheets and cash generation.

We have introduced two satellite operators to the Fund, **Eutelsat** and **Inmarsat**, for their combination of growth and defensiveness. These companies offer investors structural growth and defensive characteristics, with highly visible, growing cash flows, little competition and so far no regulatory risk. Contract lengths are over seven years and order backlogs are over three years. Favourable investment characteristics include the oligopolistic nature of the sector where four operators control about 70% of revenue. Significant barriers to entry include the perpetual rights granted on orbital slots, significant time required from design to satellite launch, technical expertise and high capital expenditures. Large switching costs faced by customers like Pay TV companies and broadcasters add stability.

## Technology

While traditionally known as a non-dividend paying sector, the IT sector in the developed markets has been transformed since the Internet bubble. The sector has learnt strong financial discipline and many of the large companies are now distributing dividends. In Asia, we find Taiwanese IT companies that have traditionally offered high dividend payouts.

Dividends aside, we are overall positive on the medium term outlook for the Technology sector due to favourable volume trends. Key among these are i) Corporate PC replacement will benefit the PC food chain ii) IT spending is set to normalise in 2010 after the severe cutbacks in 2009 and this should accelerate the demand for enterprise software and services iii) A slew of new products like LED TVs are slated for launch

After a strong recovery in demand in late 2009, we expect PC shipments to grow by at least 15% in 2010. Unlike 2009 where consumer demand was the main demand driver, we expect corporate demand to kick in in the second half of 2010 and in a meaningful manner. The need to improve productivity and lower maintenance costs is driving the replacement cycle. Dividend yielding companies that can benefit from this trend include **Microsoft** and **Intel**.

We also see opportunities in the switch by consumers to LED TVs. LED TVs are fast replacing LCD TVs as the price differential is rapidly narrowing. The industrial design and picture quality of LED TVs are far superior to LCD TVs. Besides LED TV OEMs such as **LG Display** and **AU Optronics**, we also like the upstream LED component and equipment makers. The strong demand for LED TV has created a situation where there are now shortages in components. This benefits the upstream suppliers like **Aixtron** and **Epistar**.

# United Sure Fund

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

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## Summary

Our focus going into 2010 will be on two fronts: We are overweight the Telecom sector where free cash generation is high and dividends yields continue to be attractive. Defensive sectors like Telecom underperformed the broader market in 2009 but may start to look more attractive as investors continue to hunt for yield.

And in an environment where growth is scarce, we are also overweight the sectors which are set to enjoy strong growth in the next few years – Industrials and Technology. The large cap leaders in these two sectors are well positioned and able to return cash to shareholders.

Finally, in an environment of continued uncertainty, dividend yielding stocks could be a safe alternative for equity investors.

# United Sure Fund

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

## B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by

	Fair Value (S\$)	% of NAV
<b>i) Country</b>		
Australia	3,608,519	4.84
Brazil	1,672,090	2.24
Canada	1,527,485	2.05
Chile	1,581,115	2.12
China	4,353,927	5.84
Finland	539,027	0.72
France	3,018,383	4.05
Germany	465,807	0.62
Indonesia	614,288	0.82
Ireland	2,066,974	2.77
Italy	787,027	1.06
Norway	809,390	1.10
Singapore	2,363,120	3.17
South Korea	1,654,259	2.22
Spain	3,569,965	4.79
Switzerland	2,817,902	3.78
Taiwan	2,119,952	2.84
Thailand	564,585	0.76
United Kingdom	9,379,129	12.58
United States	29,329,971	39.34
Portfolio of investments	72,842,915	97.71
Other net assets	1,708,059	2.29
<b>Total</b>	<b>74,550,974</b>	<b>100.00</b>
<b>ii) Industry</b>		
Consumer Discretionary	5,689,386	7.63
Consumer Staples	5,762,827	7.73
Energy	5,610,187	7.52
Financials	14,080,426	18.89
Healthcare	5,346,220	7.17
Industrials	15,044,357	20.18
Information Technology	8,763,874	11.76
Materials	5,939,804	7.97
Property Trust	561,600	0.75
Telecom Services	3,196,065	4.29
Utilities	2,848,169	3.82
Portfolio of investments	72,842,915	97.71
Other net assets	1,708,059	2.29
<b>Total</b>	<b>74,550,974</b>	<b>100.00</b>

# United Sure Fund

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

## B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by (continued)

### iii) Asset Class

Equities	72,842,915	97.71
Other net assets	1,708,059	2.29
<b>Total</b>	<b>74,550,974</b>	<b>100.00</b>

### iv) Credit rating of debt securities

N/A

## C) Top Ten Holdings

The top 10 holdings as at 31 December 2009 and 31 December 2008

### 10 largest holdings at 31 December 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
<b>MICROSOFT CORPORATION</b>	<b>2,695,898</b>	<b>3.62</b>
<b>HSBC HOLDINGS</b>	<b>2,410,495</b>	<b>3.23</b>
<b>BHP BILLITON LTD</b>	<b>2,175,793</b>	<b>2.92</b>
<b>GENERAL ELECTRIC CO</b>	<b>2,124,158</b>	<b>2.85</b>
<b>EMERSON ELECTRIC CO</b>	<b>1,795,075</b>	<b>2.41</b>
<b>JPMORGAN CHASE AND CO</b>	<b>1,755,063</b>	<b>2.35</b>
<b>MCDONALDS CORPORATION</b>	<b>1,752,115</b>	<b>2.35</b>
<b>PETROLEO BRASILEIRO SA ADR</b>	<b>1,672,090</b>	<b>2.24</b>
<b>SOUTHERN CO</b>	<b>1,635,798</b>	<b>2.19</b>
<b>3M CO</b>	<b>1,623,317</b>	<b>2.18</b>

### 10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
VERIZON COMMUNICATIONS	1,509,092	3.82
ALTRIA GROUP INC	1,491,214	3.77
ELI LILLY & CO	1,445,334	3.65
CONSOLIDATED EDISON INC	1,395,792	3.53
SNAM RETE GAS	1,333,327	3.37
US BANCORP COM	1,328,831	3.36
AT&T INC	1,309,632	3.31
SMRT CORPORATION LTD	1,254,000	3.17
SINGAPORE PRESS HOLDINGS	1,244,000	3.15
BHP BILLITON LTD	1,210,188	3.06

# United Sure Fund

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

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## D) Exposure to derivatives

- i) fair value of derivative contracts and as a percentage of NAV as at 31 December 2009  
N/A
- ii) net gains/(losses) on derivative contracts realised during the financial period ended 31 December 2009  
N/A
- iii) net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2009  
N/A

## E) Amount and percentage of net asset value (NAV) invested in other schemes as at 31 December 2009

	Fair Value (S\$)	% of NAV
SUNTEC REIT	561,600	0.75

## F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2009

N/A

## G) Amount of redemptions and subscriptions for the period 01 July 2009 to 31 December 2009

Total amount of redemptions	SGD 8,141,161
Total amount of subscriptions	SGD 7,072,430

## H) The amount and terms of related-party transactions for the period 01 July 2009 to 31 December 2009

- i) As at 31 December 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows :  
  
Bank balances SGD 56,132

# United Sure Fund

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

## H) The amount and terms of related-party transactions for the period 01 July 2009 to 31 December 2009 (continued)

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2009

Holdings of United Sure Fund as at 31 December 2009 were as follows:

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price SGD</u>	<u>Market Value SGD</u>
a) UOB Life Assurance Limited- Singapore Insurance Fund PAR (Annuity)	99,557.25	1.038	103,340.43
b) UOB Life-Shareholders' Fund	164,046.49	1.038	170,280.26
c) UOB Life Assurance Limited- Singapore Insurance Fund PAR (Endowment)	5,323,565.50	1.038	5,525,860.99
d) United Sure Balanced Income Fund	61,857,158.23	1.038	64,207,730.24

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

N/A

- iv) As at 31 December 2009 the brokerage income earned by UOB Kay Hian Pte Ltd is SGD 1,034.

## I) Expense ratios

31 December 2009	1.89%
31 December 2008	1.99%

*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 2009	30.28%
31 December 2008	6.99%

*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 Sure Fund

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

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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”)<sup>1</sup> should be disclosed as well**

- i) top 10 holdings at fair value and as percentage of NAV as at 31 December 2009 and 31 December 2008

N/A

- ii) expense ratios for the period ended 31 December 2009 and 31 December 2008. 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 2009 and 31 December 2008

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.

<sup>1</sup> 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 Choice Portfolios

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

## STATEMENTS OF TOTAL RETURN

For the half year ended 31 December 2009 (Un-audited)

	Notes	United E-Commerce Fund		United Asian Bond Fund	
		31 December 2009	31 December 2008	31 December 2009	31 December 2008
		\$	\$	\$	\$
<b>Income</b>					
Dividends		70,889	77,100	-	-
Interest		5	868	-	21,277
		<u>70,894</u>	<u>77,968</u>	<u>-</u>	<u>21,277</u>
<b>Less: Expenses</b>					
Administration fee	11	2,382	2,521	3,712	3,781
Management fee	11	79,134	77,656	167,280	210,760
Audit fee		(7,323)	2,771	7,850	6,012
Registrar fee	11	4,800	4,066	10,554	10,726
Custody fee		3,697	5,050	13,528	6,168
Interest expense		-	9	-	63
Other expenses		16,593	14,539	43,826	41,011
		<u>99,283</u>	<u>106,612</u>	<u>246,750</u>	<u>278,521</u>
<b>Net losses</b>		<u>(28,389)</u>	<u>(28,644)</u>	<u>(246,750)</u>	<u>(257,244)</u>
<b>Net gains/(losses) on investments</b>					
Net realised gains/(losses) on investments		438,004	(232,313)	1,531,750	(251,835)
Net change in fair value of investments		1,530,370	(2,241,908)	2,252,219	47,387
Net foreign exchange (losses)/gains		(22,955)	54,022	(36,254)	50,107
Net realised gains/(losses) on financial derivatives contracts		-	-	255,369	(30,977)
Net change in fair value of financial derivatives contracts		-	-	27,866	(444,884)
<b>Net gains/(losses) on investments</b>		<u>1,945,419</u>	<u>(2,420,199)</u>	<u>4,030,950</u>	<u>(630,202)</u>
<b>Total return/(deficit) for the period before income tax</b>		<u>1,917,030</u>	<u>(2,488,843)</u>	<u>3,784,200</u>	<u>(887,446)</u>
Less: Income tax	3	(14,125)	(14,812)	(1,909)	-
<b>Total return/(deficit) for the period after income tax before distribution</b>		<u>1,902,905</u>	<u>(2,463,655)</u>	<u>3,782,291</u>	<u>(887,446)</u>
Less: Distribution	4	-	-	-	-
<b>Total return/(deficit) for the period</b>		<u>1,902,905</u>	<u>(2,463,655)</u>	<u>3,782,291</u>	<u>(887,446)</u>

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

# United Choice Portfolios

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

## STATEMENTS OF TOTAL RETURN

For the half year ended 31 December 2009 (Un-audited)

		<b>United Sure Fund</b>	
		<b>31 December 2009</b>	31 December 2008
	<b>Notes</b>	<b>S\$</b>	<b>S\$</b>
<b>Income</b>			
Dividends		1,116,408	1,019,010
Interest		21	17,385
		<u>1,116,429</u>	<u>1,036,395</u>
<b>Less: Expenses</b>			
Administration fee	11	11,285	-
Management fee	11	563,392	356,565
Audit fee		20,589	6,012
Registrar fee	11	15,123	21,595
Custody fee		11,565	17,306
Trustee fee	11	18,788	11,886
Other expenses		81,363	59,113
		<u>722,105</u>	<u>472,477</u>
<b>Net income</b>		<u>394,324</u>	<u>563,918</u>
<b>Net gains/(losses) on investments</b>			
Net realised losses on investments		(1,642,102)	(5,098,387)
Net change in fair value of investments		10,737,608	(6,200,252)
Net foreign exchange losses		(81,337)	(237,667)
<b>Net gains/(losses) on investments</b>		<u>9,014,169</u>	<u>(11,536,306)</u>
<b>Total return/(deficit) for the period before income tax</b>		<u>9,408,493</u>	<u>(10,972,388)</u>
Less: Income tax	3	(240,427)	(216,160)
<b>Total return/(deficit) for the period</b>		<u>9,168,066</u>	<u>(11,188,548)</u>

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

# United Choice Portfolios

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

## BALANCE SHEETS

As at 31 December 2009 (Un-audited)

	Notes	United E-Commerce Fund		United Asian Bond Fund	
		31 December 2009	30 June 2009	31 December 2009	30 June 2009
		\$	\$	\$	\$
<b>ASSETS</b>					
Portfolio of investments		<b>11,036,289</b>	9,007,426	<b>31,108,777</b>	31,886,333
Receivables	5	<b>46,680</b>	3,785	<b>134,370</b>	48,204
Sales awaiting settlement		-	851,795	-	2,872,844
Cash and bank balances		<b>334,666</b>	861,898	<b>236,467</b>	914,733
Margin account with broker		-	-	-	48,948
Fair value of financial derivative contracts	7	-	-	<b>54,092</b>	19,979
<b>Total Assets</b>		<b>11,417,635</b>	10,724,904	<b>31,533,706</b>	35,791,041
<b>LIABILITIES</b>					
Payables	6	<b>68,474</b>	68,767	<b>110,727</b>	123,672
Fair value of financial derivative contracts	7	-	-	<b>26,226</b>	19,982
Purchases awaiting settlement		-	941,883	-	3,164,383
Proposed distribution of income	4	-	-	-	458,646
Net assets attributable to unitholders	8	<b>11,349,161</b>	9,714,254	<b>31,396,753</b>	32,024,358
<b>Total Liabilities</b>		<b>11,417,635</b>	10,724,904	<b>31,533,706</b>	35,791,041

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

# United Choice Portfolios

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

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## BALANCE SHEETS

As at 31 December 2009 (Un-audited)

		<b>United Sure Fund</b>	
		<b>31 December 2009</b>	30 June 2009
	<b>Notes</b>	<b>S\$</b>	<b>S\$</b>
<b>ASSETS</b>			
Portfolio of investments		<b>72,842,915</b>	60,612,908
Receivables	5	<b>91,567</b>	133,285
Sales awaiting settlement		-	5,247,398
Cash and bank balances		<b>1,947,295</b>	3,762,207
<b>Total Assets</b>		<b>74,881,777</b>	69,755,798
<b>LIABILITIES</b>			
Payables	6	<b>330,803</b>	229,600
Purchases awaiting settlement		-	3,074,559
Net assets attributable to unitholders	8	<b>74,550,974</b>	66,451,639
<b>Total Liabilities</b>		<b>74,881,777</b>	69,755,798

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

### United E-Commerce Fund

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary Quoted Equities</b>			
<b>CANADA</b>			
RESEARCH IN MOTION LIMITED	4,000	380,013	3.34
<b>CHINA</b>			
CHANGYOU COM LTD ADR	3,000	140,127	1.23
SHANDA GAMES LTD-ADR	13,000	185,797	1.64
<b>TOTAL CHINA</b>		<b>325,924</b>	<b>2.87</b>
<b>FRANCE</b>			
STMICROELECTRONICS	18,000	231,685	2.04
<b>GERMANY</b>			
AIXTRON AG	7,500	353,660	3.11
INFINEON TECHNOLOGIES AG	32,000	250,418	2.21
<b>TOTAL GERMANY</b>		<b>604,078</b>	<b>5.32</b>
<b>JAPAN</b>			
ELPIDA MEMORY INC	9,000	203,861	1.80
CANON INC	3,000	176,897	1.56
HITACHI LTD	41,000	175,600	1.55
HOYA CORPORATION	4,000	148,092	1.30
<b>TOTAL JAPAN</b>		<b>704,450</b>	<b>6.21</b>
<b>SOUTH KOREA</b>			
LG PHILIPS LCD	4,000	189,044	1.67
NCISOFT CORPORATION	1,400	251,497	2.21
NHN CORPORATION	1,250	288,600	2.54
SAMSUNG ELECTRONICS CO LTD	120	115,452	1.02
<b>TOTAL SOUTH KOREA</b>		<b>844,593</b>	<b>7.44</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

### United E-Commerce Fund

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>SWITZERLAND</b>			
TEMENOS GROUP AG - REG	12,000	437,588	3.86
<b>TAIWAN</b>			
AU OPTRONICS CORPORATION	200,000	340,175	3.00
PRIME VIEW INTERNATIONAL CO	77,000	284,580	2.50
RADIANT OPTO-ELECTRONICS CORPORATION	132,000	269,709	2.38
<b>TOTAL TAIWAN</b>		<b>894,464</b>	<b>7.88</b>
<b>UNITED KINGDOM</b>			
AUTONOMY CORPORATION PLC	12,000	410,818	3.62
CSR PLC	43,500	403,469	3.56
<b>TOTAL UNITED KINGDOM</b>		<b>814,287</b>	<b>7.18</b>

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# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

### United E-Commerce Fund

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>UNITED STATES</b>			
ACCENTURE LTD-CL A	5,657	329,754	2.91
ADOBE SYSTEMS INC	3,000	154,911	1.37
AMAZON.COM INC	1,000	188,858	1.66
APPLE INC	1,320	390,506	3.44
CHECK POINT SOFTWARE TECHNOLOGIES	4,000	189,981	1.67
CISCO SYSTEMS INC	6,000	201,662	1.78
DELL INC	16,000	322,119	2.84
F5 NETWORKS INC	3,500	260,037	2.29
GOOGLE INC ACT A	450	391,698	3.45
GLOBAL PAYMENTS INC	5,000	378,151	3.33
HEWLETT PACKARD CO	5,250	379,369	3.34
INTEL BUSINESS MACHINES CORPORATION	3,100	569,399	5.02
MICRON TECHNOLOGY INC	20,000	296,792	2.62
MICROSOFT CORPORATION COMPANY	12,000	513,504	4.52
NYSE EURONEXT INC	4,500	159,649	1.41
SYMANTEC CORPORATION	7,500	188,373	1.66
TJX COMPANIES INC	6,000	307,884	2.71
VISA INC -A-	2,500	306,515	2.70
WAL-MART STORES INC	3,600	270,045	2.38
<b>TOTAL UNITED STATES</b>		<b>5,799,207</b>	<b>51.10</b>
<b>Portfolio of investments</b>		<b>11,036,289</b>	<b>97.24</b>
<b>Other net assets</b>		<b>312,872</b>	<b>2.76</b>
<b>Net assets attributable to unitholders</b>		<b>11,349,161</b>	<b>100.00</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	<b>United E-Commerce Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2009 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2009 %</b>
<b>By Geography (Summary)</b>		
<b>Quoted Equities</b>		
Belgium	-	2.22
Canada	<b>3.34</b>	1.77
China	<b>2.87</b>	1.74
Finland	-	1.97
France	<b>2.04</b>	1.49
Germany	<b>5.32</b>	-
Greece	-	0.80
India	-	1.93
Japan	<b>6.21</b>	4.99
Netherlands	-	0.92
Singapore	-	1.93
South Korea	<b>7.44</b>	3.62
Sweden	-	2.24
Switzerland	<b>3.86</b>	4.13
Taiwan	<b>7.88</b>	1.05
United Kingdom	<b>7.18</b>	8.81
United States	<b>51.10</b>	53.11
<b>Portfolio of investments</b>	<b>97.24</b>	92.72
<b>Other net assets</b>	<b>2.76</b>	7.28
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	<b>United E-Commerce Fund</b>		
	<b>Fair value at 31 December 2009 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2009 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2009 %</b>
<b>By Industry - Secondary</b>			
Consumer Discretionary	496,740	4.37	18.49
Consumer Staples	270,045	2.38	11.24
Financials	159,649	1.41	3.78
Information Technology	10,109,855	89.08	56.59
Telecom Services	-	-	2.62
<b>Portfolio of investments</b>	<b>11,036,289</b>	<b>97.24</b>	<b>92.72</b>
<b>Other net assets</b>	<b>312,872</b>	<b>2.76</b>	<b>7.28</b>
<b>Net assets attributable to unitholders</b>	<b>11,349,161</b>	<b>100.00</b>	<b>100.00</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

### United Asian Bond Fund

	Nominal Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary Quoted Bonds</b>			
<b>CHINA</b>			
CMHI 5.375% DUE 09/03/2015	1,000,000	1,467,498	4.68
COUNTRY GARDEN 11.75% DUE 10/09/2014	100,000	145,267	0.46
GOME ELECTRICAL 0% DUE 15/05/2014	2,000,000	409,408	1.30
<b>TOTAL CHINA</b>		<b>2,022,173</b>	<b>6.44</b>
<b>HONG KONG</b>			
BANK EAST ASIA FRN DUE 29/03/2049	250,000	523,129	1.66
COSCO PACIF FIN 5.875% DUE 03/10/2013	1,000,000	1,497,016	4.77
HENSON FIN LTD 5.5% DUE 17/09/2019	250,000	344,902	1.10
HUT WHA INT 0916 4.625% DUE 11/09/2015	200,000	286,729	0.91
HUT WHA INT 0919 5.75% DUE 11/09/2019	250,000	361,816	1.15
KOWLOON-CANTON R 5.125% DUE 20/05/2019	400,000	586,618	1.87
WING HANG BK LTD FRN DUE 29/04/2049	500,000	632,943	2.02
<b>TOTAL HONG KONG</b>		<b>4,233,153</b>	<b>13.48</b>
<b>INDIA</b>			
ICICI BANK LTD 5.5% DUE 25/03/2015	200,000	279,809	0.89
<b>INDONESIA</b>			
APP FINANCE VII 3.5% DUE 30/04/03 CV DFLT	100,000	6,845	0.03
INDONESIA REP 11.625% DUE 04/03/2019	400,000	835,179	2.66
MAJAPAHIT HOLD 7.75% DUE 17/10/2016	500,000	748,099	2.38
MAJAPAHIT HOLD 8% DUE 07/08/2019	1,200,000	1,841,873	5.87
PERUSAHAAN PENERBIT 8.8% DUE 23/04/2014	1,000,000	1,652,731	5.26
PRIME DIG PTE 11.75% DUE 03/11/2014	300,000	433,998	1.38
PT ADARO INDONES 7.625% DUE 22/10/2019	200,000	282,515	0.90
PT EXCELCOMINDO 10.35% DUE 26/04/2012	2,000,000,000	292,091	0.93
<b>TOTAL INDONESIA</b>		<b>6,093,331</b>	<b>19.41</b>

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# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

### United Asian Bond Fund

	Nominal Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Bonds</b>			
<b>MALAYSIA</b>			
AMBB CAPITAL FRN DUE 29/01/2049	500,000	607,171	1.93
MALAKOFF CORP BH FRN DUE 30/04/2057	1,000,000	389,434	1.24
PETRONAS SUKUK 4.25% DUE 12/08/2014	800,000	1,146,335	3.65
PUBLIC BANK BERH FRN DUE 22/08/2036	500,000	674,729	2.15
<b>TOTAL MALAYSIA</b>		<b>2,817,669</b>	<b>8.97</b>
<b>PHILIPPINES</b>			
PHILIP LONG DIST 8.35% DUE 06/03/2017	100,000	162,452	0.52
PHILIPPINES(REP) 6.25% DUE 15/03/2016	400,000	866,229	2.76
PSALM 7.25% DUE 27/05/2019	750,000	1,136,479	3.62
<b>TOTAL PHILIPPINES</b>		<b>2,165,160</b>	<b>6.90</b>
<b>SINGAPORE</b>			
DBS CAP FUND COR FRN DUE 29/03/2049	900,000	1,319,140	4.20
EZRA HOLDINGS 4% DUE 25/11/2014	500,000	743,441	2.37
<b>TOTAL SINGAPORE</b>		<b>2,062,581</b>	<b>6.57</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

### United Asian Bond Fund

	Nominal Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Bonds</b>			
<b>SOUTH KOREA</b>			
HYUNDAI CAPITAL 6% DUE 05/05/2015	500,000	741,119	2.36
IND BK OF KOREA 7.125% DUE 23/04/2014	1,100,000	1,750,432	5.58
KOOKMIN BANK 5.875% DUE 11/06/2012	500,000	745,044	2.37
KOREA EXCH BANK FRN DUE 10/06/2015	200,000	279,500	0.89
KOREA EXPRESSWAY 4.5% DUE 23/03/2015	400,000	575,625	1.83
KOREA GAS 6% DUE 15/07/2014	200,000	311,264	0.99
KOREA HYDRO & NU 6.25% DUE 17/06/2014	500,000	766,960	2.44
KOREA LAND CORP 5.75% DUE 30/05/2014	250,000	368,337	1.17
KOREA NAT HOU CO 4.875% DUE 10/09/2014	250,000	366,785	1.17
KOREA WATER RES 4.875% DUE 12/11/2014	1,000,000	1,418,254	4.52
REP OF KOREA 7.125% DUE 16/04/2019	500,000	816,837	2.60
REP OF KOREA 5.625% DUE 03/11/2025	250,000	358,789	1.14
SHINHAN BANK FRN DUE 02/03/2035	900,000	1,106,328	3.52
WOORI BANK 7.63% DUE 14/04/2015	250,000	382,214	1.22
WOORI BANK 7% DUE 02/02/2015	500,000	788,184	2.52
<b>TOTAL SOUTH KOREA</b>		<b>10,775,672</b>	<b>34.32</b>
<b>THAILAND</b>			
IRPC PCL 6.375% DUE 25/05/2017	460,000	639,280	2.04
<b>TOTAL QUOTED BONDS</b>		<b>31,088,828</b>	<b>99.02</b>

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

# United Choice Portfolios

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

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## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Asian Bond Fund		
	Nominal Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Asset Backed Securities</b>			
<b>PHILIPPINES</b>			
CE CASECNAN 11.95% DUE 15/11/2010	14,000	19,949	0.06
<b>TOTAL ASSET BACKED SECURITIES</b>		19,949	0.06
<b>Portfolio of investments</b>		31,108,777	99.08
<b>Other net assets</b>		287,976	0.92
<b>Net assets attributable to unitholders</b>		31,396,753	100.00

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	<b>United Asian Bond Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2009 %</b>	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Summary</b>		
<b>Quoted Bonds</b>		
China	6.44	4.50
Hong Kong	13.48	15.44
India	0.89	1.06
Indonesia	19.41	11.40
Malaysia	8.97	12.33
Philippines	6.90	6.36
Singapore	6.57	9.88
South Korea	34.32	29.16
Thailand	2.04	7.15
United States	-	2.20
	<b>99.02</b>	99.48
<b>Asset Backed Securities</b>		
Philippines	0.06	0.09
	<b>0.06</b>	0.09
<b>Portfolio of investments</b>	<b>99.08</b>	99.57
<b>Other net assets</b>	<b>0.92</b>	0.43
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Asian Bond Fund		
	Fair value at 31 December 2009	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Industry - Secondary</b>			
Consumer Discretionary	409,408	1.30	-
Energy	3,968,001	12.64	6.96
Financials	8,879,963	28.28	35.92
Government	4,529,766	14.43	14.19
Government Agency	4,479,432	14.27	9.35
Industrials	3,551,133	11.31	15.53
Information Technology	-	-	1.09
Materials	433,998	1.38	2.33
Sovereign Guaranteed	-	-	4.74
Special Purpose Entity	344,902	1.10	-
Telecom Services	454,543	1.45	5.96
Utilities	4,057,631	12.92	3.50
<b>Portfolio of investments</b>	<b>31,108,777</b>	<b>99.08</b>	<b>99.57</b>
<b>Other net assets</b>	<b>287,976</b>	<b>0.92</b>	<b>0.43</b>
<b>Net assets attributable to unitholders</b>	<b>31,396,753</b>	<b>100.00</b>	<b>100.00</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Fund		
	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary Quoted Equities</b>			
<b>AUSTRALIA</b>			
BHP BILLITON LTD	40,000	2,175,793	2.92
CSL LTD	35,000	1,432,726	1.92
<b>TOTAL AUSTRALIA</b>		<b>3,608,519</b>	<b>4.84</b>
<b>BRAZIL</b>			
PETROLEO BRASILEIRO SA ADR	25,000	1,672,090	2.24
<b>CANADA</b>			
CANADIAN NATIONAL RAILWAY CO	20,000	1,527,485	2.05
<b>CHILE</b>			
QUIMICA Y MINERA CHIL-SP ADR	30,000	1,581,115	2.12
<b>CHINA</b>			
ANTA SPORTS PRODUCTS LTD	400,000	831,423	1.12
CHINA COAL ENERGY CO -H-	500,000	1,285,519	1.72
CHINA CONSTRUCTION BANK -H-	600,000	723,512	0.97
IND & COMM BK OF CHINA - H	1,300,000	1,513,473	2.03
<b>TOTAL CHINA</b>		<b>4,353,927</b>	<b>5.84</b>
<b>FINLAND</b>			
NOKIA OYJ	30,000	539,027	0.72

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# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Fund		
	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary</b> (continued)			
<b>Quoted Equities</b> (continued)			
<b>FRANCE</b>			
ALSTOM	5,000	494,108	0.66
EUTELSAT COMMUNICATIONS	15,000	678,316	0.91
SCHNEIDER ELECTRIC SA	6,000	984,750	1.32
TOTAL SA	9,500	861,209	1.16
<b>TOTAL FRANCE</b>		<b>3,018,383</b>	<b>4.05</b>
<b>GERMANY</b>			
SMA SOLAR TECHNOLOGY AG	2,500	465,807	0.62
<b>INDONESIA</b>			
TELEKOMUNIKASI TBK PT	435,000	614,288	0.82
<b>IRELAND</b>			
ALLIED IRISH BANKS PLC	350,000	852,351	1.14
BANK OF IRELAND	450,000	1,214,623	1.63
<b>TOTAL IRELAND</b>		<b>2,066,974</b>	<b>2.77</b>
<b>ITALY</b>			
ENI SPA	22,000	787,027	1.06
<b>NORWAY</b>			
STATOIL ASA	23,000	809,390	1.10
<b>SINGAPORE</b>			
SINGAPORE TECHNOLOGIES ENGINEERING	108,000	349,920	0.47
SMRT CORPORATION	760,000	1,451,600	1.95
SUNTEC REIT	416,000	561,600	0.75
<b>TOTAL SINGAPORE</b>		<b>2,363,120</b>	<b>3.17</b>

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# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Fund		
	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities (continued)</b>			
<b>SOUTH KOREA</b>			
HYUNDAI MOTOR CO LTD	2,800	408,471	0.55
KT&G CORPORATION	3,000	232,568	0.31
POSCO	1,100	818,268	1.10
S-OIL CORPORATION	3,000	194,952	0.26
<b>TOTAL SOUTH KOREA</b>		<b>1,654,259</b>	<b>2.22</b>
<b>SPAIN</b>			
BANCO BILBAO VIZCAYA ARGENTA	47,758	1,224,131	1.64
BANCO SANTANDER SA	50,000	1,162,755	1.56
GAMESA CORPORACION TECNOLOGICA SA	30,000	711,249	0.95
TELEFONICA SA	12,000	471,830	0.64
<b>TOTAL SPAIN</b>		<b>3,569,965</b>	<b>4.79</b>
<b>SWITZERLAND</b>			
ABB LTD	55,000	1,488,707	2.00
NOVARTIS AG	8,000	613,328	0.82
ROCHE HOLDING AG-GENUSSCHEIN	3,000	715,867	0.96
<b>TOTAL SWITZERLAND</b>		<b>2,817,902</b>	<b>3.78</b>
<b>TAIWAN</b>			
AU OPTRONICS CORPORATION	130,000	221,114	0.30
EPISTAR	150,000	790,085	1.06
PRIME VIEW INTERNATIONAL CO	300,000	1,108,753	1.48
<b>TOTAL TAIWAN</b>		<b>2,119,952</b>	<b>2.84</b>
<b>THAILAND</b>			
SIAM COMMERCIAL BANK-FOR REG	155,000	564,585	0.76

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# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Fund		
	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
<b>By Geography - Primary</b> (continued)			
<b>Quoted Equities</b> (continued)			
<b>UNITED KINGDOM</b>			
ARM HOLDINGS PLC	135,000	543,279	0.73
BRITISH AMERICAN TOBACCO PLC	21,500	982,698	1.32
COMPASS GROUP PLC	150,000	1,514,041	2.03
DIAGEO PLC	52,000	1,276,800	1.71
HSBC HOLDINGS	150,000	2,410,495	3.23
INMARSAT	50,000	782,186	1.05
PEARSON PLC	25,000	505,021	0.68
ROLLS ROYCE GROUP PLC	80,000	876,593	1.18
WEIR GROUP	30,000	488,016	0.65
<b>TOTAL UNITED KINGDOM</b>		<b>9,379,129</b>	<b>12.58</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Fund		Percentage of total net assets attributable to unitholders at 31 December 2009 %
	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities (continued)</b>			
<b>UNITED STATES</b>			
3M CO	14,000	1,623,317	2.18
AIR PRODUCTS AND CHEMICALS INC	12,000	1,364,628	1.83
ALTRIA GROUP	46,000	1,267,728	1.70
AT&T INC	16,000	629,863	0.84
CONSOLIDATED EDISON INC	19,000	1,212,371	1.63
ELI LILLY & CO	25,000	1,251,962	1.68
EMERSON ELECTRIC CO	30,000	1,795,075	2.41
FLOWERVE CORP	5,000	663,571	0.89
GENERAL ELECTRIC CO	100,000	2,124,158	2.85
GENERAL MILLS INC	8,000	795,527	1.07
INTEL CORPORATION	55,000	1,575,218	2.11
JPMORGAN CHASE AND CO	30,000	1,755,063	2.35
KIMBERLY-CLARK CORPORATION	13,500	1,207,506	1.62
MCDONALDS CORPORATION	20,000	1,752,115	2.35
MERCK & CO. INC.	26,000	1,332,337	1.79
MICROSOFT CORPORATION	63,000	2,695,898	3.62
PAYCHEX INC	30,000	1,290,500	1.73
PNC FINANCIAL SERVICES GROUP	15,000	1,112,972	1.49
SOUTHERN CO	35,000	1,635,798	2.19
US BANCORP	49,000	1,546,466	2.07
VERIZON COMMUNICATIONS INC	15,000	697,898	0.94
<b>TOTAL UNITED STATES</b>		<b>29,329,971</b>	<b>39.34</b>
<b>Portfolio of investments</b>		<b>72,842,915</b>	<b>97.71</b>
<b>Other net assets</b>		<b>1,708,059</b>	<b>2.29</b>
<b>Net assets attributable to unitholders</b>		<b>74,550,974</b>	<b>100.00</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	<b>United Sure Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 31 December 2009 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2009 %</b>
<b>By Geography - Summary</b>		
<b>Quoted Equities</b>		
Australia	4.84	4.44
Brazil	2.24	3.45
Canada	2.05	1.87
Chile	2.12	-
China	5.84	5.36
Finland	0.72	0.96
France	4.05	3.36
Germany	0.62	-
Indonesia	0.82	0.70
Ireland	2.77	1.57
Italy	1.06	3.04
Norway	1.10	0.99
Singapore	3.17	6.12
South Korea	2.22	0.66
Spain	4.79	4.01
Sweden	-	1.64
Switzerland	3.78	-
Taiwan	2.84	0.92
Thailand	0.76	0.72
United Kingdom	12.58	9.71
United States	39.34	41.69
<b>Portfolio of investments</b>	<b>97.71</b>	<b>91.21</b>
<b>Other net assets</b>	<b>2.29</b>	<b>8.79</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

# United Choice Portfolios

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

## PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Fund		
	Fair value at 31 December 2009 S\$	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Industry - Secondary</b>			
Consumer Discretionary	5,689,386	7.63	9.53
Consumer Staples	5,762,827	7.73	8.29
Energy	5,610,187	7.52	7.93
Financials	14,080,426	18.89	19.09
Healthcare	5,346,220	7.17	5.46
Industrials	15,044,357	20.18	10.78
Information Technology	8,763,874	11.76	8.85
Materials	5,939,804	7.97	8.17
Property Trust	561,600	0.75	-
Telecom Services	3,196,065	4.29	6.79
Utilities	2,848,169	3.82	6.32
<b>Portfolio of investments</b>	<b>72,842,915</b>	<b>97.71</b>	<b>91.21</b>
<b>Other net assets</b>	<b>1,708,059</b>	<b>2.29</b>	<b>8.79</b>
<b>Net assets attributable to unitholders</b>	<b>74,550,974</b>	<b>100.00</b>	<b>100.00</b>

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

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

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

### 1. General

United Choice Portfolios (the “Fund”), formerly known as UOB Optimix Fund, is a Singapore registered umbrella fund constituted under a Trust Deed in Singapore dated 2 March 2000. This Trust Deed was last amended and restated by way of a 9th Amendment Deed signed on 29 June 2009. The Deeds are governed by the laws of the Republic of Singapore.

The Fund comprises of three separate and distinct Sub-Funds, namely the United E-Commerce Fund (formerly known as UOB Optimix E-commerce Fund), United Asian Bond Fund (formerly known as UOB Optimix Asian Bond Fund) and United Sure Fund (formerly known as UOB Optimix Sure Fund) (collectively known as “Sub-Funds”).

As at 01 November 2009, the Trustee of the Fund has changed from Citicorp Trustee (Singapore) Limited to BNP Paribas Trust Services Singapore Limited (the “Trustee”).

The Fund has changed its name to United Choice Portfolios with effect from 29 June 2009.

### 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.

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 2. Significant accounting policies (continued)

#### (c) Investments

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

##### (i) *Initial recognition*

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

##### (ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net changes in the 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 sales 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 investments 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 or dealers' quote, as applicable. Accrued interest is included in the fair value of fixed income instruments.

#### (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 Singapore dollars as the currency of the primary economic environment in which the Sub-Funds operate. The Sub-Funds' functional and presentation currencies are the Singapore dollars.

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (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 Statement of Total Return within the fair value net gain or loss.

(f) Financial derivatives

Financial derivatives including forwards and swaps are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provision of the Trust Deed and the Code on Collective Investment Schemes.

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

(g) Expenses charged to the Sub-Funds

All expenses are charged directly to the Statements of Total Return against the value of the respective Sub-Funds, except for the Trustee’s remuneration in respect of the United E-Commerce Fund and United Asian Bond Fund which are borne by the Manager as stipulated in the Trust Deed.

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 3. Income tax

	<b>United E-Commerce Fund</b>		<b>United Asian Bond Fund</b>	
	<b>31 December 2009</b>	31 December 2008	<b>31 December 2009</b>	31 December 2008
	\$	\$	\$	\$
Overseas income tax	<b>14,125</b>	14,812	<b>1,909</b>	-

  

	<b>United Sure Fund</b>	
	<b>31 December 2009</b>	31 December 2008
	\$	\$
Overseas income tax	<b>240,427</b>	216,160

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

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) dividends derived from outside Singapore and received in Singapore.

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

### 4. Distributions

	<b>United Asian Bond Fund</b>	
	<b>31 December 2009</b>	30 June 2009
	\$	\$
31 December 2009 : Nil (30 June 2009: S\$ 2.00 per 100 units on 22,932,310 units)	-	458,646

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 5. Receivables

	<u>United E-Commerce Fund</u>		<u>United Asian Bond Fund</u>	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Amount due from unitholders	42,989	1,067	134,370	48,204
Dividend receivable	3,691	2,718	-	-
	<b>46,680</b>	<b>3,785</b>	<b>134,370</b>	<b>48,204</b>

  

	<u>United Sure Fund</u>	
	31 December 2009	30 June 2009
	\$	\$
Amount due from unitholders	921	3,237
Dividend receivable	90,646	130,048
	<b>91,567</b>	<b>133,285</b>

### 6. Payables

	<u>United E-Commerce Fund</u>		<u>United Asian Bond Fund</u>	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Amount due to Manager	42,546	35,213	86,411	86,625
Amount due to unitholders	7,281	7,917	13,699	26,689
Other creditors and accrued expenses	18,647	25,637	10,617	10,358
	<b>68,474</b>	<b>68,767</b>	<b>110,727</b>	<b>123,672</b>

  

	<u>United Sure Fund</u>	
	31 December 2009	30 June 2009
	\$	\$
Amount due to Manager	297,874	207,578
Amount due to unitholders	511	-
Amount due to Trustee	9,258	6,919
Other creditors and accrued expenses	23,160	15,103
	<b>330,803</b>	<b>229,600</b>

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 7. Fair value of financial derivatives contracts

Financial derivative contracts comprises forward foreign exchange contracts for the sale and purchase of foreign currencies.

The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at the balance sheet date are analysed below.

	United Asian Bond Fund 31 December 2009		
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
Forward foreign exchange contracts	11,781,980	54,092	26,226

	United Asian Bond Fund 30 June 2009		
	Contract or underlying principal amount \$	Positive fair value S\$	Negative fair value \$
Forward foreign exchange contracts	743,462	19,979	19,982

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 8. Net assets attributable to unitholders

	<u>United E-Commerce Fund</u>		<u>United Asian Bond Fund</u>	
	<b>31 December 2009</b>	<b>30 June 2009</b>	<b>31 December 2009</b>	<b>30 June 2009</b>
	\$	\$	\$	\$
<b>At the beginning of the financial period/year</b>	<b>9,714,254</b>	11,528,499	<b>32,024,358</b>	44,216,981
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	<b>1,902,905</b>	(1,313,077)	<b>3,872,291</b>	2,600,169
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	<b>70,761</b>	23,970	<b>2,618,342</b>	5,450,649
Cancellation of units	<b>(338,759)</b>	(525,138)	<b>(7,028,238)</b>	(20,243,441)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(267,998)</b>	(501,168)	<b>(4,409,896)</b>	(14,792,792)
<b>Total increases/(decreases) in net assets attributable to unitholders</b>	<b>1,634,907</b>	(1,814,245)	<b>(627,605)</b>	(12,192,623)
<b>At the end of the period/year</b>	<b>11,349,161</b>	9,714,254	<b>31,396,753</b>	32,024,358
<b>Units in issue (Note 9)</b>	<b>67,266,037</b>	69,030,017	<b>20,046,633</b>	22,932,310
	\$	\$	\$	\$
<b>Net assets attributable to unitholders per unit</b>	<b>0.17</b>	0.14	<b>1.56</b>	1.40

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 8. Net assets attributable to unitholders (continued)

	<b>United Sure Fund</b>	
	<b>31 December 2009</b>	<b>30 June 2009</b>
	<b>\$</b>	<b>\$</b>
<b>At the beginning of the financial period/year</b>	<b>66,451,639</b>	53,118,978
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>9,168,066</b>	(11,056,891)
<b>Unitholders' contributions/(withdrawals)</b>		
Units created	<b>7,072,430</b>	27,961,520
Units cancelled	<b>(8,141,161)</b>	(3,571,968)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(1,068,731)</b>	24,389,552
<b>Total increases in net assets attributable to unitholders</b>	<b>8,099,335</b>	13,332,661
<b>At the end of the period/year</b>	<b>74,550,974</b>	66,451,639
<b>Units in issue (Note 9)</b>	<b>71,820,617</b>	72,567,551
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders per unit</b>	<b>1.04</b>	0.92

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 9. Units in issue

	<b>United E-Commerce Fund</b>		<b>United Asian Bond Fund</b>	
	<b>31 December 2009</b>	<b>30 June 2009</b>	<b>31 December 2009</b>	<b>30 June 2009</b>
Units at beginning of the period/year	<b>69,030,017</b>	72,719,984	<b>22,932,310</b>	33,745,611
Units created	<b>424,981</b>	176,210	<b>1,749,097</b>	4,112,365
Units cancelled	<b>(2,188,961)</b>	(3,866,177)	<b>(4,634,774)</b>	(14,925,666)
Units at end of the period/year	<b>67,266,037</b>	69,030,017	<b>20,046,633</b>	22,932,310

  

	<b>United Sure Fund</b>	
	<b>31 December 2009</b>	<b>30 June 2009</b>
Units at beginning of the period/year	<b>72,567,551</b>	44,964,081
Units created	<b>7,353,039</b>	30,705,344
Units cancelled	<b>(8,099,973)</b>	(3,101,874)
Units at end of the period/year	<b>71,820,617</b>	72,567,551

  

Units denominated in USD	<b>1,806</b>	1,806
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### 10. Financial risk management

The Sub-Funds' activities expose them 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 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, fixed interest investments, money market 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.

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

#### (a) Market risk

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

#### (i) Foreign exchange risk

The Sub-Funds have securities denominated in currencies other than 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 E-Commerce Fund

As at 31 December 2009

	USD \$	EUR \$	SGD \$	Others \$	Total \$
<b>Assets</b>					
Portfolio of investments	6,125,132	835,763	-	4,075,394	<b>11,036,289</b>
Receivables	1,377	-	42,989	2,314	<b>46,680</b>
Cash and bank balances	8,495	210,788	112,936	2,447	<b>334,666</b>
<b>Total Assets</b>	<b>6,135,004</b>	<b>1,046,551</b>	<b>155,925</b>	<b>4,080,155</b>	<b>11,417,635</b>
<b>Liabilities</b>					
Payables	-	-	68,474	-	<b>68,474</b>
Net assets attributable to unitholders	-	-	11,349,161	-	<b>11,349,161</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>11,417,635</b>	<b>-</b>	<b>11,417,635</b>
<b>Net currency exposure</b>	<b>6,135,004</b>	<b>1,046,551</b>	<b>(11,261,710)</b>	<b>4,080,155</b>	

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

**United E-Commerce Fund** (continued)

As at 30 June 2009

	USD \$	EUR \$	SGD \$	Others \$	Total \$
<b>Assets</b>					
Portfolio of investments	5,241,889	718,824	187,740	2,858,973	9,007,426
Receivables	425	-	1,067	2,293	3,785
Sales awaiting settlement	281,239	-	-	570,556	851,795
Cash and bank balances	142,486	141,596	183,581	394,235	861,898
<b>Total Assets</b>	<b>5,666,039</b>	<b>860,420</b>	<b>372,388</b>	<b>3,826,057</b>	<b>10,724,904</b>
<b>Liabilities</b>					
Payables	-	-	68,767	-	68,767
Purchases awaiting settlement	172,694	146,619	100,811	521,759	941,883
Net assets attributable to unitholders	-	-	9,714,254	-	9,714,254
<b>Total Liabilities</b>	<b>172,694</b>	<b>146,619</b>	<b>9,883,832</b>	<b>521,759</b>	<b>10,724,904</b>
<b>Net currency exposure</b>	<b>5,493,345</b>	<b>713,801</b>	<b>(9,511,444)</b>	<b>3,304,298</b>	

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

#### **United Asian Bond Fund**

**As at 31 December 2009**

	USD \$	EUR \$	SGD \$	Others \$	Total \$
<b>Assets</b>					
Portfolio of investments	28,628,486	866,229	-	1,614,062	<b>31,108,777</b>
Receivables	-	-	134,370	-	<b>134,370</b>
Cash and bank balances	118,844	-	117,623	-	<b>236,467</b>
Fair value of financial derivative contracts	14,652	-	22,044	17,396	<b>54,092</b>
<b>Total Assets</b>	<b>28,747,330</b>	<b>866,229</b>	<b>251,993</b>	<b>1,614,062</b>	<b>31,533,706</b>
<b>Liabilities</b>					
Payables	-	-	110,727	-	<b>110,727</b>
Fair value of financial derivative contracts	25,344	-	882	-	<b>26,226</b>
Net assets attributable to unitholders	-	-	31,396,753	-	<b>31,396,753</b>
<b>Total Liabilities</b>	<b>25,344</b>	<b>-</b>	<b>31,508,362</b>	<b>-</b>	<b>31,533,706</b>
Forward foreign exchange contracts (nominal value)	<b>10,652</b>	<b>-</b>	<b>571,598</b>	<b>(582,250)</b>	
<b>Net currency exposure</b>	<b>28,732,638</b>	<b>866,229</b>	<b>(30,684,771)</b>	<b>1,031,812</b>	

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

#### **United Asian Bond Fund** (continued)

As at 30 June 2009

	USD \$	EUR \$	SGD \$	Others \$	Total \$
<b>Assets</b>					
Portfolio of investments	30,133,760	784,913	-	967,660	31,886,333
Receivables	-	-	48,204	-	48,204
Sales awaiting settlement	2,872,844	-	-	-	2,872,844
Cash and bank balances	381,477	-	533,256	-	914,733
Margin account	48,948	-	-	-	48,948
<b>Total Assets</b>	<b>33,437,029</b>	<b>784,913</b>	<b>581,460</b>	<b>967,660</b>	<b>35,771,062</b>
<b>Liabilities</b>					
Payables	-	-	123,672	-	123,672
Purchases awaiting settlement	3,164,383	-	-	-	3,164,383
Proposed distribution of income	-	-	458,646	-	458,646
Net assets attributable to unitholders	-	-	32,024,358	-	32,024,358
<b>Total Liabilities</b>	<b>3,164,383</b>	<b>-</b>	<b>32,606,676</b>	<b>-</b>	<b>35,771,059</b>
Forward foreign exchange contracts (nominal value)	-	-	-	-	-
<b>Net currency exposure</b>	<b>30,272,646</b>	<b>784,913</b>	<b>(32,025,216)</b>	<b>967,660</b>	

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

#### **United Sure Fund**

**As at 31 December 2009**

	USD \$	EUR \$	SGD \$	GBP \$	Others \$	Total \$
<b>Assets</b>						
Portfolio of investments	34,110,660	10,447,183	2,363,120	9,379,129	16,542,823	<b>72,842,915</b>
Receivables	75,424	-	11,071	-	5,072	<b>91,567</b>
Cash and bank balances	25,344	-	1,592,141	-	329,810	<b>1,947,295</b>
<b>Total Assets</b>	<b>34,211,428</b>	<b>10,447,183</b>	<b>3,966,332</b>	<b>9,379,129</b>	<b>16,877,705</b>	<b>74,881,777</b>
<b>Liabilities</b>						
Payables	-	-	330,803	-	-	<b>330,803</b>
Net assets attributable to unitholders	-	-	74,550,974	-	-	<b>74,550,974</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>74,881,777</b>	<b>-</b>	<b>-</b>	<b>74,881,777</b>
<b>Net currency exposure</b>	<b>34,211,428</b>	<b>10,447,183</b>	<b>(70,915,445)</b>	<b>9,379,129</b>	<b>16,877,705</b>	

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

#### **United Sure Fund** (continued)

As at 30 June 2009

	USD \$	EUR \$	SGD \$	GBP \$	Others \$	Total \$
<b>Assets</b>						
Portfolio of investments	31,241,311	8,606,962	4,066,720	6,447,534	10,250,381	60,612,908
Receivables	71,550	-	3,237	42,594	15,904	133,285
Sales awaiting settlement	1,336,893	2,594,640	-	-	1,315,865	5,247,398
Cash and bank balances	8,854	1,490,689	451,984	-	1,810,680	3,762,207
<b>Total Assets</b>	<b>32,658,608</b>	<b>12,692,291</b>	<b>4,521,941</b>	<b>6,490,128</b>	<b>13,392,830</b>	<b>69,755,798</b>
<b>Liabilities</b>						
Payables	-	-	229,600	-	-	229,600
Purchases awaiting settlement	2,441,371	-	-	633,188	-	3,074,559
Net assets attributable to unitholders	1,654	-	66,449,985	-	-	66,451,639
<b>Total Liabilities</b>	<b>2,443,025</b>	<b>-</b>	<b>66,679,585</b>	<b>633,188</b>	<b>-</b>	<b>69,755,798</b>
<b>Net currency exposure</b>	<b>30,215,583</b>	<b>12,692,291</b>	<b>(62,157,644)</b>	<b>5,856,940</b>	<b>13,392,830</b>	

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

#### **United Asian Bond Fund**

Investments, which is the significant item in the balance sheet is exposed to currency risk and interest rate risk. Currency risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Sub-Fund's monetary assets and liabilities to changes in foreign exchange movements at 31 December 2009 and 30 June 2009. The analysis is based on the assumptions that the functional currency increased / decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

Currency	31 December 2009		30 June 2009	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
EUR	60,636	7	54,944	7
USD	1,723,958	6	1,513,632	5

#### **United E-Commerce Fund & United Sure Fund**

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

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. 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.

#### United E-Commerce Fund & United Sure Fund

The table below summarises the impact of increases/decreases from the Sub-Funds' underlying investments in equities on the Sub-Fund's net assets attributable to unitholders at 31 December 2009 and 30 June 2009. 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.

Sub-Fund	Benchmark components	31 December 2009		30 June 2009	
		Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
		\$	%	\$	%
United E-Commerce Fund	MSCI World Index	<b>2,494,201</b>	<b>20</b>	1,603,322	20
United Sure Fund	MSCI AC World Index	<b>15,297,012</b>	<b>20</b>	10,182,969	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.

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

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarises the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and trading liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates. All variable rate financial instruments are reset within a month.

#### United Asian Bond Fund

As at 31 December 2009

	Variable rates \$	Fixed Rates \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Portfolio of investments	5,532,372	25,160,153	416,252	<b>31,108,777</b>
Receivables	-	-	134,370	<b>134,370</b>
Cash and bank balances	-	-	236,467	<b>236,467</b>
Fair value of financial derivative contracts	-	-	54,092	<b>54,092</b>
<b>Total Assets</b>	<b>5,532,372</b>	<b>25,160,153</b>	<b>841,181</b>	<b>31,533,706</b>
<b>Liabilities</b>				
Payables	-	-	110,727	<b>110,727</b>
Fair value of financial derivative contracts	-	-	26,226	<b>26,226</b>
Net assets attributable to unitholders	-	-	31,396,753	<b>31,396,753</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>31,533,706</b>	<b>31,533,706</b>

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

#### United Asian Bond Fund (continued)

As at 30 June 2009

	Variable rates \$	Fixed Rates \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Portfolio of investments	6,632,629	25,246,651	7,053	31,886,333
Receivables	-	-	48,204	48,204
Sales awaiting settlement	-	-	2,872,844	2,872,844
Cash and bank balances	914,733	-	-	914,733
Margin account	48,948	-	-	48,948
Fair value of financial derivative contracts	-	-	19,979	19,979
<b>Total Assets</b>	<b>7,596,310</b>	<b>25,246,651</b>	<b>2,948,080</b>	<b>35,791,041</b>
<b>Liabilities</b>				
Payables	-	-	123,672	123,672
Fair value of financial derivative contracts	-	-	19,982	19,982
Purchases awaiting settlement	-	-	3,164,383	3,164,383
Proposed distribution of income	-	-	458,646	458,646
Net assets attributable to unitholders	-	-	32,024,358	32,024,358
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>35,791,041</b>	<b>35,791,041</b>

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

**United Asian Bond Fund** (continued)

As at 31 December 2009, should interest rates have lowered or risen by 100 basis points ("bps") (30 June 2009: 600 bps) with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the period would be as \$1,412,338 (30 June 2009: \$8,838,892)

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

**United E-Commerce Fund & United Sure Fund**

The financial assets and liabilities of United E-Commerce Fund and United Sure Fund are non-interest bearing other than fixed deposits held. Hence, they are not subjected to risk of fluctuations in the prevailing levels of market interest rate.

(b) Liquidity risk

Liquidity risk is the risk that the Sub-Funds will encounter difficulty in settling a liability, including a redemption request.

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Funds 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 Sub-Funds' investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

#### (b) Liquidity risk (continued)

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would be typically be expected for traditional investment instruments. No such investments were held at the balance sheet date.

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 E-Commerce Fund

##### As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	68,474	-	-	-
Net assets attributable to unitholders	11,349,161	-	-	-

##### As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	68,767	-	-	-
Purchases awaiting settlement	941,883	-	-	-
Net assets attributable to unitholders	9,714,254	-	-	-

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(b) Liquidity risk (continued)

#### United Asian Bond Fund

As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	110,727	-	-	-
Derivative financial instruments				
-Inflows	2,781,670	-	-	-
-Outflows	(2,807,896)	-	-	-
Net assets attributable to unitholders	<b>31,396,753</b>	-	-	-

As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	123,672	-	-	-
Derivative financial instruments				
-Inflows	361,712	-	-	-
-Outflows	(381,750)	-	-	-
Purchases awaiting settlement	3,164,383	-	-	-
Proposed distribution of income	458,686	-	-	-
Net assets attributable to unitholders	<b>32,024,358</b>	-	-	-

#### United Sure Fund

As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	330,803	-	-	-
Net assets attributable to unitholders	<b>74,550,974</b>	-	-	-

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

#### (b) Liquidity risk (continued)

##### **United Sure Fund** (continued)

As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	229,600	-	-	-
Purchases awaiting settlement	3,074,559	-	-	-
Net assets attributable to unitholders	66,451,639	-	-	-

#### (c) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

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

##### **United Asian Bond Fund**

The Sub-Fund invests in financial assets, which have an investment grade as rated by Moody's. The credit ratings are reviewed regularly.

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

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(c) Credit risk (continued)

#### United Asian Bond Fund

As at 31 December 2009

	Aa	A	Baa	Ba	B	Non rated
<b>Debt securities</b>						
<b>Fixed rate securities</b>	2%	34%	10%	26%	-	9%
<b>Floating rate securities</b>	4%	11%	-	2%	-	1%
<b>Zero Coupon</b>	-	-	-	-	-	1%

As at 30 June 2009

	Aa	A	Baa	Ba	B	Non rated
<b>Debt securities</b>						
<b>Fixed rate securities</b>	7%	33%	15%	9%	8%	7%
<b>Floating rate securities</b>	6%	10%	1%	4%	-	-

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

Credit risk also arises from cash and cash equivalents and derivative positions held with financial institutions. The table below summarizes the credit rating of banks and custodians in which the Sub-Fund's assets are held as at 31 December 2009 and 30 June 2009.

#### United E-Commerce Fund

As at 31 December 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
BNP Paribas	B-	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
BNP Paribas	B-	Moody's

# United Choice Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(c) Credit risk (continued)

**United E-Commerce Fund** (continued)

As at 30 June 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
Citibank NA	C-	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
Citibank NA	C-	Moody's

**United Asian Bond Fund**

As at 31 December 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
BNP Paribas	B-	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
BNP Paribas	B-	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
Citibank NA	C-	Moody's

As at 30 June 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
Citibank NA	C-	Moody's
United Overseas Bank Limited	B	Moody's
JP Morgan Chase Bank NA	B	Moody's
<u>Custodian</u>		
Citibank NA	C-	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
Citibank NA	C-	Moody's

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 10. Financial risk management (continued)

(c) Credit risk (continued)

**United Sure Fund**

**As at 31 December 2009**

	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Bank</u>		
BNP Paribas	<b>B-</b>	<b>Moody's</b>
United Overseas Bank Limited	<b>B</b>	<b>Moody's</b>
<u>Custodian</u>		
BNP Paribas	<b>B-</b>	<b>Moody's</b>

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As at 30 June 2009

	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Bank</u>		
Citibank NA	<b>C-</b>	<b>Moody's</b>
United Overseas Bank Limited	<b>B</b>	<b>Moody's</b>
<u>Custodian</u>		
Citibank NA	<b>C-</b>	<b>Moody's</b>

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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 Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 11. Related party transactions

- (a) The Manager and the Trustee of the Sub-Funds are UOB Asset Management Ltd and BNP Paribas Trust Services Singapore Limited respectively.

UOB Asset Management Ltd is a subsidiary of United Overseas Bank Limited and BNP Paribas Trust Services Singapore Limited is a related company of BNP Paribas.

Management and administration fees are paid to the Manager, while trustee fee is paid to the Trustee. 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 are 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 31 December 2009 and 30 June 2009, the Sub-Funds had the following balances with a related company of the Manager:

	<b>United E-Commerce Fund</b>		<b>United Asian Bond Fund</b>	
	<b>31 December 2009</b>	<b>30 June 2009</b>	<b>31 December 2009</b>	<b>30 June 2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current accounts	<b>13,400</b>	79,235	<b>72,275</b>	425,705
	<hr/>			
	<b>United Sure Fund</b>			
	<b>31 December 2009</b>	<b>30 June 2009</b>		
	<b>\$</b>	<b>\$</b>		
Current accounts	<b>56,132</b>	48,159		
	<hr/>			

# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 11. Related party transactions (continued)

- (c) As at 31 December 2009 and 30 June 2009, the Sub-Funds had the following balances with a related company of the Trustee:

	<u>United E-Commerce Fund</u>		<u>United Asian Bond Fund</u>	
	<b>31 December 2009</b>	30 June 2009	<b>31 December 2009</b>	30 June 2009
	\$	\$	\$	\$
Current accounts	<b>321,266</b>	782,663	<b>164,192</b>	489,028
	<hr/>			
	<u>United Sure Fund</u>			
	<b>31 December 2009</b>	30 June 2009		
	\$	\$		
Current accounts	<b>1,891,163</b>	3,714,048		
	<hr/>			



# United Choice Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2009 (Un-audited)

### 12. Financial ratios

	<b>United E-Commerce Fund</b>		<b>United Asian Bond Fund</b>	
	<b>31 December 2009</b>	31 December 2008	<b>31 December 2009</b>	31 December 2008
Expense ratio <sup>1</sup>	<b>2.05%</b>	1.96%	<b>1.36%</b>	1.28%
Turnover ratio <sup>2</sup>	<b>41.69%</b>	21.25%	<b>564.31%</b>	28.53%

  

	<b>United Sure Fund</b>	
	<b>31 December 2009</b>	31 December 2008
Expense ratio <sup>1</sup>	<b>1.89%</b>	1.99%
Turnover ratio <sup>2</sup>	<b>30.28%</b>	6.99%

<sup>1</sup> The expense ratios are computed in accordance with the IMAS guidelines on disclosure of expenses 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 do not pay any performance fees.

<sup>2</sup> The turnover ratios are calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

# **United Choice Portfolios**

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

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