

United Global Portfolios

- **United Global Bond Fund (SGD)**
- **United Singapore Bond Fund**
- **United Sure Balanced Income Fund**

Semi Annual Report

for the period 1st July to
31st December 2009

United Global Portfolios

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

MANAGER

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

OPERATIONS ADDRESS

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

DIRECTORS OF UOB ASSET MANAGEMENT

Terence Ong Sea Eng
Yeo Eng Cheong
Thio Boon Kiat

TRUSTEE

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

AUDITORS

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

SOLICITORS TO THE MANAGER

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

SOLICITORS TO THE TRUSTEE

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

United Global Portfolios

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

United Global Bond Fund (SGD)

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception 09 November 1998
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret
United Global Bond Fund (SGD)	-2.81	-0.65	-5.30	2.03	-0.93	2.77	1.89
Benchmark	-2.28	0.71	-1.01	4.98	1.31	4.33	3.95

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: Citi G7 Gov Bond.

The net asset value of the Fund **fell 0.65%** against the benchmark (Citigroup Group of 7 Government Bond Index) which rose 0.71%, in Singapore dollar terms.

During the period, the Fund was overweight in the markets where policy rates were unlikely to rise, mostly in Europe. The Fund also had a small out-of-benchmark position in Australia. The Fund had no exposure to Japan where rates remained low. The under-performance was due mainly to the Fund's overweight position in UK bonds. The improved global economic outlook resulted in higher UK yields (lower bond prices) despite the Bank of England increasing its purchases of gilts.

Both interest rate and currency markets were volatile during the period under review as market participants vacillated between optimism and pessimism on the impact of monetary stimulus being withdrawn. At the end of the six month review period, the G7 government bond markets posted a modest 1.69% gain, in local currency terms. Overall, the European government bond markets performed relatively better as the recovery in the Eurozone's economy lagged. The best performing market was Italy which returned 4.75%. Japan's government debt market returned 1.23% as Japan sank back into deflation. The US government debt market gained 0.76%. Outside of the G7, the Australian government market returned 2%.

On a US dollar basis, the returns of the European and Japanese government bond markets were boosted by the weaker US dollar. The Japanese yen enjoyed a sharp bounce when the new government appeared to indicate its preference for a stronger currency but most of the gains were given up when the government subsequently voiced its concern over the strength of the yen. The UK sterling was the only G10 currency to decline against the US dollar over the period and this contributed to a bigger negative return in US dollars.

As at 31 December 2009, the Fund was invested in the US (30%), Germany (17%), Italy (18%), France (15%), the UK (13%) and Canada (4%), with the rest in cash. As of December 2009, the Fund's weighted average duration was 5 years (against the benchmark duration of 6.5 years), with an average yield of 3% and an average credit rating of AAA.

United Global Portfolios

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

Market Review & Outlook

There is clear evidence that the worst of the economic crisis has passed. Business and consumer surveys have recovered from the depths reached in the first quarter of 2009 and have since rebounded sharply. Although the most recent surveys show a moderation in the improvement, there is little doubt that, short of another crisis, it is unlikely that we will sink back to the depression-like levels reached in early 2009. Real activity data has, likewise, confirmed the rebound in the survey data. The repayment of capital to the US government by the US banks also signals renewed confidence in the operating environment. The sustainability of the economic recovery is the key question for financial markets in 2010.

The effects of the tremendous amount of fiscal and monetary stimulus that has been pumped into the global economy over the last two years are lagged and likely to be felt into 2010. Policymakers have repeatedly stated their commitment to keep the stimulus programmes going insofar as the recovery remains uncertain. They have even committed themselves to doing more, should it be necessary. If the economic recovery proves to be sustainable, then the risk to market interest rates is clearly to the upside. Furthermore, the reversal of liquidity measures and monetary stimulus will also likely lead to higher overall interest rates. The recent small scale testing of using “Reverse Repurchase” transactions by the Federal Reserve Bank of New York signals a move towards the withdrawal of liquidity and monetary stimulus. The European Central Bank has also committed itself to gradually withdrawing its generous lending facility by the first quarter of 2010.

Although the global economy is recovering, the inflation risk going into 2010 is subdued. Given the depth of the recession in 2008/9, the business sector is still cautious and unlikely to resume hiring in an aggressive manner. Market-based inflation expectations, however, have risen sharply since March 2009, when markets were pricing the worst economic outcome. Whether this fear is justified remains to be seen. But clearly, given the rising debt burdens, the financial markets’ fear of debt monetization (inflating your way out of debt) in the US and the UK is justified. The historical experience of Japan shows that it might take up to 18 months from the start of quantitative easing for inflation to start rising. If the US and UK follow Japan’s experience, inflation could rebound in the second half of 2010.

There is also the risk of a policy error. The dependence on the notion of an “output gap” (or slack) to set monetary policy implies an ability to measure both the current level of output and also the ability to estimate the potential output accurately. Going by past experience, there are typically major revisions to the final level of output. This means that the current monetary policy could be inappropriately loose and inflation could turn out to be higher than what is currently expected. The desire to keep monetary policy accommodative to ensure a self-sustaining economic recovery could therefore turn out to be a policy error, especially in an environment of strong commodity prices.

Still looking further down the road, the sharp increase in government debt is a medium term headwind for the G7 government bond markets. The large fiscal deficits in many of the developed countries are not likely to decrease meaningfully in the next five years without a strong commitment to spending cuts or taxation increases. With the economic recovery only in a nascent stage, a reduction in fiscal deficits seems unlikely for the near future. Quantitative easing measures (i.e. central bank purchases of government debt) are meanwhile scheduled to end in the first quarter of 2010. Funding the large fiscal deficits will require more of the private sector to take over from governments as the “buyer of last resort”. It will be challenging to find more willing buyers of public debt in light of the rising supply, the low overall level of interest rates, the likelihood of official interest rates being raised and on top of all this, the return of risk appetite. Although domestic banks were marginal buyers of government debt in

United Global Portfolios

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

2009, a return to better economic conditions means that banks will likely seek higher returns in other investments in the near future as capital preservation becomes secondary to profit maximisation.

If domestic buyers of government debt are not forthcoming, there will continue to be a reliance on foreign buyers, especially foreign central banks. Among the G7 markets, US Treasuries could likely face stronger headwinds as the US fiscal deficit is rising sharply and the US depends more on foreign investors to finance its debt. Recent comments by Chinese officials about the low level of US interest rates and the weakness of the US dollar point to a rethinking by the major owners of foreign reserves about the long term implications of holding US dollar assets as the dominant component of their foreign reserves. The decision by India to buy large quantity of gold after the metal crossed US\$1,000/ounce and the continued strength in commodity prices, are likely to be part of this broader switch out of US dollar assets. Reserve flows that traditionally would have moved into US dollar assets as a store of value are now searching for new areas in which to invest.

US Treasury auctions have continued to show a preference by foreign investors for the shorter part of the yield curve indicating that foreign buyers are concerned with capital preservation if they have to own US assets. Given that the level of debt is rising, concessions have to be offered to continue to attract more buyers, or even, retain current buyers. These concessions have to come either from a lower currency or higher interest rates, or a combination of both. At this point, there are no clear substitutes for US dollar assets though marginal switches will add downward pressure to the latter.

We are employing a cautious approach in our investment strategy in light of the better performance of the global economy and the looming withdrawal of monetary stimulus. Even if official interest rates are slow to return to their neutral levels, the bond markets will move to price these hikes ahead of official actions. We stay short duration and prefer the core European markets over the US because of the larger supply forthcoming in the US. To benefit from an improving economic outlook, we will continue to add more floating rates securities, especially in countries which will benefit from the firmer global economy, such as Australia.

United Global Portfolios

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

United Singapore Bond Fund

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception 26 November 2004
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret
United Singapore Bond Fund	2.12	6.04	8.33	3.39	2.21	N/A	2.30
Benchmark	-0.07	0.81	0.23	4.30	3.16	N/A	3.27

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: Singapore Government Bond Index All UOB.

For the six months ended 31 December 2009, the Fund increased by **6.0%** on a net-asset-value basis against the benchmark UOB Singapore Government Bond Index, which rose 0.8% in Singapore dollar terms.

The Fund's outperformance during the period arose primarily because of the Fund's overweight in **corporate bonds** relative to **Singapore Government Securities (SGS)**. As we had anticipated in the middle of 2009, the rate of decline in economic growth moderated in the second half of the year and this was evidenced by the GDP growth bottoming in the first quarter at -9.5% year-on-year (yoy). On the back of the recovery, investors' risk appetite increased prompting the switch out of safe haven assets such as government securities into corporate bonds. Singapore Government bonds sold off across all durations with an accompanying increase in rates.

The Fund's significant exposure to **Financials** (50%) and **Real Estate** (8%) sectors in particular also contributed to its outperformance. The global credit crunch has since eased with improved liquidity in the banking sector and the uninterrupted rally across all asset classes has led to further gains for the financial and real estate sectors.

As at end December 2009, the Fund was 99.3% invested, with 92.2% in **corporate bonds**, 7.1% in **Singapore government securities** and the rest in cash (0.7%). The Fund had a yield to maturity of 4.24% and duration of 3.53 years with a weighted average rating of BBB (investment grade).

Market Review and Outlook

Singapore Q3 2009 GDP surprised on the upside, rising 0.8% yoy versus market expectation for a 0.5% yoy rise. This is the first positive yoy growth since Q3 2008 and officially marks the end of the recession. On a seasonally adjusted quarter-on-quarter annualized basis, real GDP grew 14.9% in Q3 from +22.0% in Q2.

The better-than-expected Q3 2009 GDP performance was due mainly to industrial production, which grew 8.3% yoy in Q3 from -1.1% yoy in Q2. Construction growth slowed to 12.4% yoy in Q3 from

United Global Portfolios

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

18.6% yoy in Q2 while services-producing industries shrank 2.4% yoy in Q3 from -4.8% yoy in Q2. The government revised its 2009 GDP forecast to -2% to -2.5% from -4% to -6% previously.

MAS also announced its biannual monetary policy on 12 October where it maintained its neutral policy for the SGD nominal effective exchange rate (NEER) in its Monetary Policy Statement. In addition, there was no re-centering of the policy mid-point and no change to the width of the policy band. The SGD NEER has been trading around 1.5-2% above its mid band since the beginning of October. This suggests that the government is now tolerating a stronger SGD. We expect MAS to tighten monetary policy at its next meeting in April 2010.

Consumer prices fell 0.4% yoy in September from -0.3% in August. On a month-on-month seasonally adjusted basis, inflation in September was flat versus 0.39% in August. September was the fifth consecutive month that CPI inflation on a month-on-month basis was non-negative and likely portends positive year-on-year CPI inflation by Q4 2009. With stronger economic growth, rising commodities prices and surging asset prices, deflation is likely to end by Dec-2009 and inflation is likely to surprise on the upside beginning in Q1 2010. We expect CPI inflation to rebound to 1.5-2.5% by Q2 2010.

With exports growth likely to reach double-digit in H1 2010 from -7.8% yoy in Q3 2009, we expect Singapore GDP growth to accelerate to 6.5% yoy in 2010 versus a projected -1.5% yoy in 2009. Market consensus is expecting a 5.5% GDP rise in 2010. This, together with rising inflationary pressures, leads us to believe that the Singapore dollar against the US dollar will appreciate towards the 1.35 level in Q1 2010 from 1.3910 currently.

Fund Strategy

US Treasuries (USTs) was mixed in the fourth quarter of 2009 as the market waxed and waned on the back of much better-than-expected non-farm payroll numbers, the Dubai crisis and assurance from the US Federal Reserve that it would keep monetary policy easy. Two-year UST yield fell 18 bps to 0.77% while 10-year USTs rose 12 bps to 3.425%.

The Singapore Government Securities (SGS) was similarly mixed with yields at the short-end falling while rising at the long-end. The two-year SGS yield fell 0.1 bps to 0.56% while the 10-year SGS yield rose 7 bps to 2.513%. Consequently, the 2-10 spread steepened by 7 bps to 1.95%.

We remain cautious on SGS bonds. We believe that SGS is likely to sell off going forward on the back of strong economic growth and rising inflationary pressure. We continue to expect the 10-year SGS yield to exceed 3.0%. We are reducing our exposure to mid-and long duration SGS bonds, that is, from 5 years to 20 years.

On the corporate front, we like the short-dated bonds, ranging from two to five years, due to the increasing swap spreads in a rising yield environment. We are biased towards the two-year end as it has the widest swap spreads and hence gives us a higher all-in yield. Some of the bonds we like are the **National Agriculture Cooperative Federation** (listed in Singapore) which offers a 3.3% yield for one year and **City Development Sukuk Bond** at 3.25% for one year.

Overall, the Fund will be positioned conservatively in corporate bonds which are of higher quality and with duration of approximately five years.

United Global Portfolios

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

United Sure Balanced Income Fund

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception 28 November 2005
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret
United Sure Balanced Income Fund	-0.22	10.47	14.50	-3.74	N/A	N/A	-0.62
Benchmark	2.15	9.55	15.11	-2.71	N/A	N/A	-0.26

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: 50% MSCI AC World Index & 50% 1 month SIBID.

For the half year ending 31 December 2009, the unit price of the United Sure Balanced Income Fund rose 10.5% on a net asset value basis. Over the same period, the composite benchmark of 50% MSCI AC World Index and 50% 1-month Singapore Interbank Bid Rate (SIBID) rose 9.6%, in Singapore dollar terms.

In terms of asset class performance, equities performed better than fixed income, which in turn performed better than cash. As an indication, the MSCI AC World Free Index rose 19.6%, the Citigroup Group of 7 World Government Bond Index, a proxy to the global government bond market rose 0.7% while the 1-month SIBID saw a total return of 0.2% over the same period.

The **United Sure Fund (USF)** rose 13.1% during the period under review. Given its income mandate, the USF 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 USF 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 USF's 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).

The **United International Bond Fund (UIBF)** gained 5.8% for the period. The UIBF seeks to achieve a return above cash deposits. During the period, the six-month Singapore dollar return was 0.6% (Citigroup 6-month Singapore dollar Euro-deposit), while the average 6-month deposit rate was 0.625%. The Fund's strategy of reducing its exposures to the quasi-government and government sectors in the

United Global Portfolios

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

Developed Markets and investing in Asian corporate bonds and Australian dollar denominated floating rate notes contributed to performance during the period.

The UIBF invests broadly into a variety of debt classes and across many currencies. At the end of the period, the Fund was invested mostly in corporate bonds (84% of the portfolio). By geography, the UIBF was invested as follows: Developed Markets (30%), Asia ex Singapore (26%), Emerging Markets (4%) and Singapore (39%).

As at 31 December 2009, the UIBF's average duration was 2.6 years, and with a yield of 5.3% (primarily from the Fund's holding of higher yielding Asian bonds.) The implied average rating of the bonds in the portfolio was Investment Grade, equivalent to Moody's Baa3/ S&P BBB-.

For the period under review, we kept the exposure of the **United Sure Fund** close to the upper end of the investable range (in excess of 67%), while that of the **United International Bond Fund** was generally kept at the lower end, below 32%.

The **United Sure Balanced Income Fund**'s exposure to the two sub-funds as at the end of December 2009 was as follows:

	%
Equities	
United Sure Fund	67.8
Fixed Income	
United International Bond Fund	31.5
Cash	0.7
	<u>100.0</u>

Market Review

Financial markets were driven in the first quarter of 2009 by worries of a global economic depression, the risks of bank nationalisation in the US & UK, and downgrades in sovereign countries (Portugal, Greece and Spain). Risk appetite however reversed sharply in the following three quarters as the banking systems in the US and Europe were stabilised and leading economic indicators turned upwards. The recovery of the US Institute of Supply Management index in particular provided an important boost to confidence.

The improvement in the global economy and financial markets was supported by repeated reassurance from the major central banks that monetary policy would be kept accommodative insofar as the recovery remains uncertain. The aggressive fiscal actions undertaken by many governments also provided a much needed replacement for the collapse in private sector demand as job losses were widespread and severe, especially in the US.

Equity and corporate bond markets rallied sharply as the economic outlook improved. Corporate profits recovered over the course of 2009 which further boosted confidence in the operating and investing environment. The recovery in risk appetite however led to selling pressure in government bond markets. Government bond markets were whipsawed by concerns of greater debt supply to fund the many government rescue programmes and the risk that the current environment of massive liquidity would result in higher inflation down the road.

United Global Portfolios

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

In equity markets, the Emerging Markets (EM) strongly outperformed the Developed Markets as EM were rewarded for their economic resilience in the face of the deep global recession. In terms of sector performance, cyclical 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.

Outlook and Strategy

On balance, we expect to stay with the current asset allocation till cyclical risks begin to rise (i.e. central banks tighten too quickly) or if equity valuations become unattractive.

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.

Our focus for the **United Sure Fund** 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 companies in these two sectors are also able to return cash to shareholders.

For the **United International Bond Fund**, we are adopting a cautious strategy in light of the improving global economy and the looming withdrawal of past economic stimulus. Even if official interest rates are slow to adjust to neutral levels, the bond markets will move to price these hikes ahead of official actions. We stay short duration as near term, the key central banks are unlikely to hike interest rates. Inflation fears are also likely to affect the longer duration bonds. We prefer corporate bonds to government bonds given the recovery of the global economy and the improvement in corporate earnings. We will continue to add more floating rates securities, especially in countries which will benefit from the firmer global economy, such as Australia. The Fund will also reduce its exposure to the US dollar as the economic recovery of the US is likely to be anemic and this will likely keep the currency weak. We prefer exposure to the higher yielding currencies.

United Global Portfolios

(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

i) Country

	United Global Bond Fund (SGD)		United Singapore Bond Fund		United Sure Balanced Income Fund	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
Canada	110,642	4.00	-	-	-	-
France	421,227	15.21	-	-	-	-
Germany	483,313	17.45	-	-	-	-
India	-	-	3,009,910	3.04	-	-
Italy	492,535	17.79	-	-	-	-
Malaysia	-	-	3,310,931	3.34	-	-
Singapore	-	-	80,179,977	80.86	94,074,672	99.28
South Korea	-	-	6,071,160	6.12	-	-
United Kingdom	355,902	12.85	-	-	-	-
United States	836,918	30.23	5,888,576	5.94	-	-
Portfolio of investments	2,700,537	97.53	98,460,554	99.30	94,074,672	99.28
Other net assets	68,362	2.47	691,016	0.70	679,013	0.72
Total	2,768,899	100.00	99,151,570	100.00	94,753,685	100.00

ii) Industry

	United Global Bond Fund (SGD)		United Singapore Bond Fund		United Sure Balanced Income Fund	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
Brewery	-	-	252,364	0.25	-	-
Consumer Staples	-	-	2,991,519	3.01	-	-
Energy	-	-	5,898,189	5.95	-	-
Financials	123,358	4.45	49,918,230	50.35	-	-
Government	2,577,179	93.08	6,987,775	7.05	-	-
Government Agency	-	-	5,996,437	6.04	-	-
Industrials	-	-	7,803,259	7.88	-	-
Investment	-	-	749,748	0.76	-	-
Property Trust	-	-	8,247,870	8.32	-	-
Special Purpose Entity	-	-	7,484,207	7.54	-	-
Unit Trust	-	-	-	-	94,074,672	99.28
Utilities	-	-	2,130,956	2.15	-	-
Portfolio of investments	2,700,537	97.53	98,460,554	99.30	94,074,672	99.28
Other net assets	68,362	2.47	691,016	0.70	679,013	0.72
Total	2,768,899	100.00	99,151,570	100.00	94,753,685	100.00

United Global Portfolios

(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

	<u>United Global Bond Fund (SGD)</u>		<u>United Singapore Bond Fund</u>		<u>United Sure Balanced Income Fund</u>	
	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>
Fixed Income/ Unit Trust	2,700,537	97.53	98,460,554	99.30	94,074,672	99.28
Other net assets	68,362	2.47	691,016	0.70	679,013	0.72
Total	2,768,899	100.00	99,151,570	100.00	94,753,685	100.00

iv) Credit rating of debt securities by S & P

	<u>United Global Bond Fund (SGD)</u>		<u>United Singapore Bond Fund</u>		<u>United Sure Balanced Income Fund</u>	
	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>
AAA	2,084,644	75.29	6,987,775	7.05	-	-
AA	-	-	2,130,956	2.15	-	-
A	492,535	17.79	18,999,146	19.16	-	-
BBB	-	-	8,866,378	8.95	-	-
BB	-	-	-	-	-	-
NR	123,358	4.45	61,476,299	61.99	94,074,672	99.28
Total	2,700,537	97.53	98,460,554	99.30	94,074,672	99.28

v) Credit rating of debt securities by Moody's

	<u>United Global Bond Fund (SGD)</u>		<u>United Singapore Bond Fund</u>		<u>United Sure Balanced Income Fund</u>	
	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>
Aaa	2,084,644	75.29	9,036,370	9.12	-	-
Aa	615,893	22.24	11,284,558	11.39	-	-
A	-	-	12,204,588	12.30	-	-
Baa	-	-	5,606,206	5.66	-	-
NR	-	-	60,328,832	60.83	94,074,672	99.28
Total	2,700,537	97.53	98,460,554	99.30	94,074,672	99.28

United Global Portfolios

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

C) Top Ten Holdings

Top ten holdings as at 31 December 2009 and 31 December 2008

United Global Bond Fund (SGD)

10 largest holdings at 31 December 2009

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UK TREASURY 4% DUE 07/09/2016	355,902	12.85
US TREASURY 4.50% DUE 15/11/2015	348,579	12.59
US TREASURY 5% DUE 15/02/2011	254,628	9.20
BUNDESREPUBLIC DEUTSCHLAND 3.75% DUE 04/01/2017	218,538	7.89
BUONI POLIENNALI DEL TES 5.50% DUE 01/11/2010	179,235	6.47
BUONI POLIENNALI DEL TES 5.25% DUE 01/11/2029	174,323	6.30
DEUTSCHLAND REPUBLIC 5.25% DUE 04/07/2010	164,800	5.95
FRANCE GOVERNMENT 4.75% DUE 25/10/2012	153,713	5.55
FRANCE GOVERNMENT 8.50% DUE 25/04/2023	138,492	5.00
FRANCE GOVERNMENT 4.25% DUE 25/10/2018	129,022	4.66

10 largest holdings at 31 December 2008

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UK TREASURY 4% DUE 07/09/2016	900,278	13.36
UK TREASURY 4.75% DUE 07/09/2015	720,707	10.69
US TREASURY 7.125% DUE 15/02/2023	647,198	9.60
US TREASURY 4.50% DUE 15/11/2015	615,190	9.13
BUNDESREPUBLIC DEUTSCHLAND 3.75% DUE 04/01/2017	592,525	8.79
US TREASURY 5% DUE 15/02/2011	541,596	8.04
UK TREASURY 5% DUE 07/03/2025	499,915	7.42
FRANCE GOVERNMENT 8.50% DUE 25/04/2023	469,455	6.96
DEUTSCHLAND REPUBLIC 5.25% DUE 04/07/2010	383,274	5.69
BUONI POLIENNALI DEL TES 5.50% DUE 01/11/2010	252,886	3.75

United Global Portfolios

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

C) Top Ten Holdings (continued)

United Singapore Bond Fund

10 largest holdings at 31 December 2009

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
ASCOTT CAPITAL PTE LTD (BR) 3.58% DUE 28/09/2012	6,115,829	6.17
SWIBER HOLDINGS LTD 4.34% DUE 24/08/2010	4,936,693	4.98
OCBC NON-CUM PREF SHS 5.10% DUE 31/12/2049	3,763,800	3.80
SINGAPORE GOVERNMENT BOND 3.625% DUE 01/07/2014	3,372,650	3.40
MALAYAN BANKING BHD 6% DUE 29/08/2049	3,310,931	3.34
MAPLETREE TREASURY SVCS 20/8/2013 DUE 4.6%	3,141,442	3.17
SUNTEC REIT CONV (REG) 3.25% DUE 20/03/2013	3,122,964	3.15
CITIGROUP INC EMTN 4.98% DUE 20/06/2013	3,077,032	3.10
CITYDEV NAHDAH PTE LTD 3.25% DUE 22/7/2010	3,046,892	3.07
ICICI BANK LTD EMTN (BR) 3.92% DUE 15/02/2012	3,009,910	3.04

10 largest holdings at 31 December 2008

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
ASCOTT CAPITAL PTE LTD (BR) MTN 3.58% DUE 28/09/2012	5,987,867	7.28
SWIBER HOLDINGS LTD 4.34% DUE 24/08/2010	4,691,193	5.70
SINGAPORE GOVERNMENT BOND 3.75% DUE 01/09/2016	3,447,656	4.19
SINGAPORE GOVERNMENT BOND 3.625% DUE 01/07/2014	3,379,815	4.11
OCBC NON-CUM PREF SHS 5.10% DUE 31/12/2049	3,365,280	4.09
SINGAPORE GOVERNMENT BOND 3.125% DUE 01/09/2022	3,321,215	4.04
YONGNAM ENGINEERING & CO (BR) FRN DUE 26/12/2012	3,260,244	3.96
ICICI BANK LTD EMTN (BR) 3.92% DUE 15/02/2012	2,792,425	3.39
CITIGROUP INC EMTN 4.98% DUE 20/06/2013	2,770,627	3.37
SUNTEC REIT CONV (REG) 3.25% DUE 20/03/2013	2,667,354	3.24

United Global Portfolios

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

C) Top Ten Holdings (continued)

United Sure Balanced Income Fund

2 largest holdings at 31 December 2009

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UNITED SURE FUND [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]	64,207,730	67.76
UNITED INTERNATIONAL BOND FUND	29,866,942	31.52

There were only 2 holdings as at 31 December 2009

2 largest holdings at 31 December 2008 +

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UNITED INTERNATIONAL BOND FUND	62,831,802	67.41
UNITED SURE FUND [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]	30,115,107	32.31

+ There were only 2 holdings as at 31 December 2008

D) Exposure to derivatives

(i) Fair value of financial derivative contracts and as a percentage of NAV as at 31 December 2009

United Global Bond Fund (SGD)

	Contracts or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	2,260,718	33,664	1.22	53,675	1.94

United Global Portfolios

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

D) Exposure to derivatives (continued)

- (ii) There were net gains on derivative contracts realised during the financial period ended 31 December 2009

	<u>United Global Bond Fund (SGD)</u>	<u>United Singapore Bond Fund</u>	<u>United Sure Balanced Income Fund</u>
	\$	\$	\$
Net gains on derivative contracts	31,677	NIL	NIL

- (iii) There were net losses on derivative contracts outstanding during the financial period ended 31 December 2009

	<u>United Global Bond Fund (SGD)</u>	<u>United Singapore Bond Fund</u>	<u>United Sure Balanced Income Fund</u>
	\$	\$	\$
Net losses on derivative contracts	20,011	NIL	NIL

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

United Singapore Bond Fund

	<u>Fair Value (\$)</u>	<u>Percentage of total net assets attributable to unitholders %</u>
ASCENDAS INDIA TRUST MTN DUE 09/11/2012	765,098	0.77
ASCENDAS INDIA TRUST MTN 5.255% DUE 09/11/2012	253,220	0.26
ASCENDAS REAL ESTATE INV 5% DUE 22/7/2013	1,053,208	1.06
ASCENDAS REAL ESTATE INV 4.75% DUE 29/04/2011	1,543,088	1.56
CAPITAMALL TRUST CB 1% DUE 02/07/2013	1,510,292	1.52
SUNTEC REIT CONV (REG) 3.25% DUE 20/03/2013	3,122,964	3.15

United Sure Balanced Income Fund

	<u>Fair Value (\$)</u>	<u>Percentage of total net assets attributable to unitholders %</u>
UNITED INTERNATIONAL BOND FUND	29,866,942	31.52
UNITED SURE FUND [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]	64,207,730	67.76

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

N/A

United Global Portfolios

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

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

	<u>United Global</u> <u>Bond Fund (SGD)</u> \$	<u>United Singapore</u> <u>Bond Fund</u> \$	<u>United Sure Balanced</u> <u>Income Fund</u> \$
Total amount of redemptions	732,813	5,473,389	8,833,559
Total amount of subscriptions	576,140	10,343,801	4,104,849

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 :

	<u>United Global</u> <u>Bond Fund (SGD)</u> \$	<u>United Singapore</u> <u>Bond Fund</u> \$	<u>United Sure Balanced</u> <u>Income Fund</u> \$
Bank balances	2,549	8,981	1,480,147

- 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.

I) Expense ratios

	<u>United Global</u> <u>Bond Fund (SGD)</u>	<u>United Singapore</u> <u>Bond Fund</u>	<u>United Sure Balanced</u> <u>Income Fund</u>
31 December 2009	1.89%	0.78%	0.83%
31 December 2008	1.13%	0.79%	1.28%

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

J) Turnover ratios

	<u>United Global</u> <u>Bond Fund (SGD)</u>	<u>United Singapore</u> <u>Bond Fund</u>	<u>United Sure Balanced</u> <u>Income Fund</u>
31 December 2009	4.28%	8.88%	4.70%
31 December 2008	45.29%	37.08%	0.65%

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

United Global Portfolios

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

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

N/A

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

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

United Sure Balanced Income Fund

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

10 largest holdings at 31 December 2009

	United Sure Fund [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]	
	Fair Value (\$)	% of NAV
MICROSOFT CORPORATION	2,695,898	3.70
HSBC HOLDINGS	2,410,494	3.31
BHP BILLITON LTD	2,175,793	2.99
GENERAL ELECTRIC CO	2,124,158	2.92
EMERSON ELECTRIC CO	1,795,075	2.46
JPMORGAN CHASE AND CO	1,755,063	2.41
MCDONALDS CORPORATION	1,752,115	2.41
PETROLEO BRASILEIRO SA ADR	1,672,090	2.30
SOUTHERN CO	1,635,798	2.25
3M CO	1,623,317	2.23

10 largest holdings at 31 December 2008

	United Sure Fund [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]	
	Fair Value (\$)	% of NAV
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 LIMITED	1,210,188	3.06

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

United Global Portfolios

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

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

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

10 largest holdings at 31 December 2009

	United International Bond Fund	
	Fair Value	% of NAV
	(\$)	
ASCENDAS REAL ESTATE INVESTMENT TR		
MTN 4.75% 29/04/2011	3,086,176	6.54
CAPITACOMMERCIAL TRUST MTN (BR) 3.15% 24/01/2011	3,050,921	6.46
DAIMLERCHRYSLER CAN FIN (BR) 5.75% 10/08/2011	2,414,523	5.11
CAPITAMALL TRUST CONV 1% 02/07/2013	2,013,722	4.27
SUNSHINE ASSETS LTD MTN (BR) 2.78% 11/02/2011	2,020,383	4.28
AMERICAN EXPRESS CREDIT CORP MTN FRN 12/04/2010	1,900,660	4.03
ASTRAZEN ECA OLC (REG) 5.4% 15/09/2012	1,556,644	3.30
MORGAN STANLEY (REG) 10.09% 03/05/2017	1,520,097	3.22
KOREA NATIONAL HOUSING CORP 4.875% 10/09/2014	1,245,700	2.64
BANK OF AMERICA CORP MTN (REG) FRN 14/02/2014	1,219,491	2.58

10 largest holdings at 31 December 2008

	United International Bond Fund	
	Fair Value	% of NAV
	(\$)	
PT BK DANAMON INDONESIA 7.65% DUE 30/03/14	5,067,622	6.35
SUNSHINE ASSETS LTD EMTN (BR) 2.78% DUE 11/02/2011	4,596,958	5.76
GENERAL ELEC CAP CORP 3% DUE 09/12/11 (FDIC)	4,485,818	5.62
GENERAL ELEC CAP CORP 4.25% DUE 31/01/2013	4,274,301	5.36
L-BANK BW FOERDERBANK 4% DUE 13/02/2009	4,146,422	5.20
CAPITACOMMERCIAL TRUST 3.15% DUE 24/1/2011	3,076,364	3.86
EXPORT-IMPORT BK KOREA 3.105% DUE 10/9/2009	3,059,048	3.84
CITIGROUP FUNDING INC 3.315% DUE 26/3/2009	3,041,163	3.81
ASFINAG 3.25% DUE 19/10/2009	3,030,180	3.80
UK TREASURY 4% DUE 07/09/2016	2,925,905	3.67

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

United Global Portfolios

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

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

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

United Sure Balanced Income Fund

United Sure Fund

31 December 2009	1.89%
31 December 2008	1.99%

United International Bond Fund

31 December 2009	0.70%
31 December 2008	0.66%

Note : The expense ratios are 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.

iii) turnover ratios for the period ended 31 December 2009 and 31 December 2008

United Sure Balanced Income Fund

United Sure Fund

31 December 2009	30.28%
31 December 2008	6.99%

United International Bond Fund

31 December 2009	62.08%
31 December 2008	85.33%

Note : The turnover ratios are calculated in accordance with the formula stated in the “Code on Collective Investment Schemes”.

M) Soft dollar commissions/arrangements

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

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

United Global 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)

		United Global Bond Fund	
		31 December	31 December
		2009	2008
	Notes	\$	\$
Income			
Interest		1	49
		<u>1</u>	<u>49</u>
Less: Expenses			
Management fee	12	7,446	11,782
Trustee fee	12	5,042	5,370
Audit fee		5,972	5,127
Registrar fee	12	8,068	8,066
Valuation fee	12	1,861	2,945
Custody fee		4,155	3,915
Interest expenses		-	299
Other expenses		1,734	990
		<u>34,278</u>	<u>38,494</u>
Net loss		<u>(34,277)</u>	<u>(38,445)</u>
Net gains or losses on value of investments			
Net realised gains/(losses) on investments		73,678	(55,546)
Net change in fair value on investments		(65,495)	182,121
Net realised gains on financial derivatives		31,677	260,017
Net change in fair value on financial derivatives		(20,011)	35,486
Net foreign exchange gains		(1,322)	3,076
Net gain on value of investments		<u>18,527</u>	<u>425,154</u>
Total (deficit)/return for the period before income tax		<u>(15,750)</u>	<u>386,709</u>
Less : Income tax	3	(461)	17
Total (deficit)/return for the period		<u>(16,211)</u>	<u>386,726</u>

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

United Global 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	<u>United Singapore</u> <u>Bond Fund</u>		<u>United Sure Balanced</u> <u>Income Fund</u>	
		31 December 2009	31 December 2008	31 December 2009	31 December 2008
		\$	\$	\$	\$
Income					
Dividends		94,353	74,245	-	691,746
Interest		-	6,765	6	1,064
		94,353	81,010	6	692,810
Less: Expenses					
Management fee, net of rebates	12	246,080	229,366	34,077	274,396
Trustee fee	12	19,686	18,352	30,205	35,671
Audit fee		6,592	5,684	5,684	5,052
Registrar fee	12	8,066	8,066	8,068	8,066
Valuation fee	12	61,520	57,341	59,760	72,326
Custody fee		10,079	9,624	225	338
Interest expenses		-	-	235	541
Other expenses		34,398	13,473	191,530	158,980
		386,421	341,906	329,784	555,370
Net (loss)/income		(292,068)	(260,896)	(329,778)	137,440
Net gains or losses on value of investments					
Net realised gains/(losses) on investments		1,785,037	795,821	(1,220,778)	(1,438,598)
Net change in fair value on investments		3,632,219	(265,304)	10,846,440	(12,711,577)
Net realised (losses)/gains on financial derivatives		-	(72,218)	-	256
Net change in fair value on financial derivatives		-	642,122	-	-
Net foreign exchange (losses)/gains		(435)	(16,932)	(15,887)	3,218
Net gains/(losses) on value of investments		5,416,821	1,083,489	9,609,775	(14,146,701)
Total return/(deficit) for the period before income tax		5,124,753	822,593	9,279,997	(14,009,261)
Less : Income tax	3	-	-	-	(124,514)
Total return/(deficit) for the period before distribution		5,124,753	822,593	9,279,997	(14,133,775)
Less : Distribution	4	-	-	(2,085,867)	(2,703,964)
Total return/(deficit) for the period		5,124,753	822,593	7,194,130	(16,837,739)

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

United Global Portfolios

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

BALANCE SHEETS

As at 31 December 2009 (Un-audited)

		United Global Bond Fund (SGD)	
		31 December	30 June
		2009	2009
Notes		\$	\$
ASSETS			
	Portfolio of investments	2,700,537	2,882,941
	Receivables	1,589	31,944
	Fair value of financial derivatives	33,664	539
	Cash and bank balances	112,104	62,906
	Total Assets	2,847,894	2,978,330
LIABILITIES			
	Payables	25,320	29,092
	Fair value of financial derivatives	53,675	7,455
	Net assets attributable to unitholders	2,768,899	2,941,783
	Total Liabilities	2,847,894	2,978,330

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

United Global Portfolios

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

BALANCE SHEETS

As at 31 December 2009 (Un-audited)

	Notes	<u>United Singapore</u>		<u>United Sure Balanced</u>	
		<u>Bond Fund</u>		<u>Income Fund</u>	
		31 December 2009	30 June 2009	31 December 2009	30 June 2009
		\$	\$	\$	\$
ASSETS					
Portfolio of investments		98,460,554	86,361,723	94,074,672	92,060,821
Receivables	5	28,800	-	297,495	379,134
Cash and bank balances	6	1,091,923	3,702,283	1,592,806	1,618,516
Total Assets		99,581,277	90,064,006	95,964,973	94,058,471
LIABILITIES					
Purchases awaiting settlement		250,000	750,000	-	-
Payables	7	179,707	157,601	897,471	1,400,152
Proposed distribution of income	4	-	-	313,817	370,054
Net assets attributable to unitholders	9	99,151,570	89,156,405	94,753,685	92,288,265
Total Liabilities		99,581,277	90,064,006	95,964,973	94,058,471

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Global Bond Fund (SGD)		
	Nominal holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary Quoted Bonds			
CANADA			
CANADIAN GOVERNMENT 5.25% DUE 01/06/2013	75,000	110,642	4.00
FRANCE			
FRANCE GOVERNMENT 4.75% DUE 25/10/2012	70,000	153,713	5.55
FRANCE GOVERNMENT 4.25% DUE 25/10/2018	60,000	129,022	4.66
FRANCE GOVERNMENT 8.50% DUE 25/04/2023	45,000	138,492	5.00
TOTAL FRANCE		421,227	15.21
GERMANY			
BUNDESREPUBLIC DEUTSCHLAND 3.75% DUE 04/01/2017	100,000	218,538	7.89
BUNDESREPUBLIC DEUTSCHLAND 6.25% DUE 04/01/2030	37,000	99,975	3.61
DEUTSCHLAND REPUBLIC 5.25% DUE 04/07/2010	78,000	164,800	5.95
TOTAL GERMANY		483,313	17.45
ITALY			
BUONI POLIENNALI DEL TES 4.50% DUE 01/08/2018	35,000	75,755	2.74
BUONI POLIENNALI DEL TES 4.50% DUE 01/02/2018	29,000	63,222	2.28
BUONI POLIENNALI DEL TES 5.25% DUE 01/11/2029	80,000	174,323	6.30
BUONI POLIENNALI DEL TES 5.50% DUE 01/11/2010	85,000	179,235	6.47
TOTAL ITALY		492,535	17.79

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Global Bond Fund (SGD)		
	Nominal holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary (continued)			
Quoted Bonds			
UNITED KINGDOM			
UK TREASURY 4% DUE 07/09/2016	150,000	355,902	12.85
UNITED STATES			
JPMORGAN CHASE & CO FRN DUE 21/6/2012	100,000	123,358	4.45
US TREASURY 4.50% DUE 15/11/2015	228,000	348,579	12.59
US TREASURY 5% DUE 15/02/2011	170,000	254,628	9.20
US TREASURY 7.125% DUE 15/02/2023	60,000	110,353	3.99
TOTAL UNITED STATES		836,918	30.23
Portfolio of investments		2,700,537	97.53
Other net assets		68,362	2.47
Net assets attributable to unitholders		2,768,899	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Global Bond Fund (SGD)	
	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Geography - Primary (Summary)		
Quoted Bonds		
Canada	4.00	3.54
France	15.21	14.40
Germany	17.45	16.48
Italy	17.79	17.69
United Kingdom	12.85	20.61
United States	30.23	25.28
Portfolio of investments	97.53	98.00
Other net assets	2.47	2.00
Net assets attributable to unitholders	100.00	100.00

	United Global Bond Fund (SGD)		
	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 %
By Industry - Secondary			
Quoted Bonds			
Financials	123,358	4.45	-
Government	2,577,179	93.08	98.00
Portfolio of investments	2,700,537	97.53	98.00
Other net assets	68,362	2.47	2.00
Net assets attributable to unitholders	2,768,899	100.00	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore 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 %
By Industry - Primary Quoted Bonds			
BREWERY			
ASIA PAC BREWERIES LTD MTN 4% DUE 07/01/2022	250,000	252,364	0.25
CONSUMER STAPLES			
ASIA PACIFIC BREWERIES 3.55% DUE 01/10/2014	500,000	504,337	0.51
FRASER & NEAVE LTD 3.405% DUE 11/06/2012	1,000,000	1,015,274	1.02
PETRA FOODS LTD EMTN 4.435% DUE 11/01/2012	1,500,000	1,471,908	1.48
TOTAL CONSUMER STAPLES		2,991,519	3.01
ENERGY			
SWIBER HOLDINGS LTD 4.34% DUE 24/08/2010	5,000,000	4,936,693	4.98
SWIBER HOLDINGS LTD FRN DUE 24/08/2010	1,000,000	961,496	0.97
TOTAL ENERGY		5,898,189	5.95

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore 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 %
By Industry - Primary (continued)			
Quoted Bonds			
FINANCIALS			
ASCENDAS PTE LTD MTN (BR) 3.66%			
DUE 14/05/2010	1,000,000	1,013,081	1.02
ASCOTT CAPITAL PTE LTD (BR) 3.58%			
DUE 28/09/2012	6,000,000	6,115,829	6.17
ASCOTT CAPITAL PTE LTD 4.38%			
DUE 14/08/2012	1,000,000	1,020,937	1.03
ASCOTT CAPITAL PTE LTD FRN			
DUE 27/4/2010	1,500,000	1,502,854	1.52
ASCOTT REIT MTN PTE LTD 4.11%			
DUE 01/10/2012	1,000,000	1,014,423	1.02
CAPITALAND LTD CB 2.95%			
DUE 20/06/2022	1,250,000	1,026,525	1.03
CAPITALAND TREASURY LTD MTN 4.35%			
DUE 31/10/2019	3,000,000	2,472,189	2.49
CITIGROUP INC EMTN 3.83%			
DUE 18/03/2014	250,000	247,669	0.25
CITIGROUP INC EMTN 4.98%			
DUE 20/06/2013	3,000,000	3,077,032	3.10
CITY DEVELOPMENTS LTD 4.85%			
DUE 16/04/2012	1,000,000	1,048,969	1.06
CITY DEVELOPMENTS LTD 3.82%			
DUE 13/11/2014	2,000,000	1,978,913	2.00
DBS BANK LTD SINGAPORE 4.47%			
DUE 15/07/2021	250,000	242,729	0.24
DBS CAPITAL FUNDING CORP 5.35%			
DUE 15/03/2049	800,000	830,296	0.84
DBS CAPITAL FUNDING CORP 5.75%			
DUE 15/06/2049	1,000,000	1,019,208	1.03
EXPORT-IMPORT BANK OF KOREA 2.8%			
DUE 04/05/2012	750,000	747,201	0.75
FCT MTN PTE LTD 4.80% DUE 18/06/2012	2,500,000	2,545,537	2.57
Balance carried forward		25,903,392	26.12

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore 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 %
By Industry - Primary (continued)			
Quoted Bonds			
Balance brought forward		25,903,392	26.12
GE CAPITAL AUST FUNDING 4.515%			
DUE 12/06/2012	1,250,000	1,276,946	1.29
ICICI BANK LTD EMTN (BR) 3.92%			
DUE 15/02/2012	3,000,000	3,009,910	3.04
KOOKMIN BANK 2.05% DUE 18/10/2010	750,000	754,538	0.76
MALAYAN BANKING BHD 6%			
DUE 29/08/2049	3,250,000	3,310,931	3.34
MERRILL LYNCH & CO EMTN 4.14%			
DUE 19/05/2014	500,000	499,919	0.50
MIDPOINT PROPERTIES 3.33%			
DUE 01/04/2010	500,000	504,993	0.51
MIDPOINT PROPERTIES 3.75%			
DUE 04/07/2011	500,000	516,281	0.52
MIDPOINT PROPERTIES LTD 3.88%			
DUE 17/01/2011	1,000,000	1,026,510	1.03
MORGAN STANLEY EMTN (BR) 4%			
DUE 23/10/2017	3,000,000	2,811,544	2.84
NATIONAL AGRICULTURAL CO GMTN 3.3%			
DUE 18/08/2010	1,500,000	1,528,164	1.54
OCBC NON-CUM PREF SHS 5.10%			
DUE 31/12/2049	36,900	3,763,800	3.80
OVERSEA-CHINESE BANKING (REG) 3.78%			
DUE 28/11/2017	2,000,000	2,020,623	2.04
SHINHAN BANK 3.78% DUE 17/06/2010	1,000,000	1,007,263	1.02
UNITED OVERSEAS LAND LTD (BR) 3.34%			
DUE 15/05/2012	2,000,000	1,983,416	2.00
TOTAL FINANCIALS		49,918,230	50.35

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United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore 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 %
By Industry - Primary (continued)			
Quoted Bonds			
GOVERNMENT			
SINGAPORE GOVERNMENT BOND 1.625% DUE 01/04/2013	1,000,000	1,030,285	1.04
SINGAPORE GOVERNMENT BOND 3.625% DUE 01/07/2014	3,000,000	3,372,650	3.40
SINGAPORE GOVERNMENT BOND 1.375% DUE 01/10/2014	2,000,000	2,021,083	2.04
SINGAPORE GOVERNMENT BOND 3.75% DUE 01/09/2016	500,000	563,757	0.57
TOTAL GOVERNMENT		6,987,775	7.05
GOVERNMENT AGENCY			
EXPORT-IMPORT BK KOREA 4.85% DUE 28/04/2010	2,000,000	2,033,994	2.05
HOUSING & DEVELOPEMENT BOARD 1.55% DUE 26/10/2012	1,250,000	1,253,454	1.26
JURONG TOWN CORPORATION 4.826% DUE 24/10/2012	1,470,000	1,616,382	1.63
PUBLIC UTILITIES BOARD 3.90% DUE 31/8/2018	1,000,000	1,092,607	1.10
TOTAL GOVERNMENT AGENCY		5,996,437	6.04

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United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore 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 %
By Industry - Primary (continued)			
Quoted Bonds			
INDUSTRIALS			
FRASER & NEAVE LTD 3.62%			
DUE 13/10/2015	250,000	238,168	0.24
NATIONAL UNIVERSITY OF SINGAPORE 3.20%			
DUE 12/06/2014	2,000,000	2,048,595	2.07
ODFJELL ASIA II PTE LTD 4.15%			
DUE 14/12/2011	1,000,000	819,113	0.83
PSA CORPORATION LTD 2.83%			
DUE 06/07/2015	250,000	246,612	0.25
SEMBCORP FINANCIAL SERVICES 5%			
DUE 21/04/2014	1,750,000	1,845,801	1.86
YONGNAM ENGINEERING & CO (BR) FRN			
DUE 26/12/2012	2,800,000	2,604,970	2.63
TOTAL INDUSTRIALS		7,803,259	7.88
INVESTMENT			
QUEENSLEY HOLDINGS LTD 4.62%			
DUE 07/12/2012	750,000	749,748	0.76
PROPERTY TRUST			
ASCENDAS INDIA TRUST MTN			
DUE 09/11/2012	750,000	765,098	0.77
ASCENDAS INDIA TRUST MTN 5.255%			
DUE 09/11/2012	250,000	253,220	0.26
ASCENDAS REAL ESTATE INV 5%			
DUE 22/7/2013	1,000,000	1,053,208	1.06
ASCENDAS REAL ESTATE INV 4.75%			
DUE 29/04/2011	1,500,000	1,543,088	1.56
CAPITAMALL TRUST CB 1% DUE 02/07/2013	1,500,000	1,510,292	1.52
SUNTEC REIT CONV (REG) 3.25%			
DUE 20/03/2013	3,000,000	3,122,964	3.15
TOTAL PROPERTY TRUST		8,247,870	8.32

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore 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 %
By Industry - Primary (continued)			
Quoted Bonds			
SPECIAL PURPOSE ENTITY			
CITYDEV NAHDAH PTE LTD 3.25% DUE 22/7/2010	3,000,000	3,046,892	3.07
F&N TREASURY PTE LTD 3.38% DUE 15/4/2011	750,000	765,240	0.77
F & N TREASURY PTE LTD 4.55% DUE 05/08/2013	500,000	530,633	0.53
MAPLETREE TREASURY SVCS 20/8/2013 DUE 4.6%	3,000,000	3,141,442	3.17
TOTAL SPECIAL PURPOSE ENTITY		7,484,207	7.54
UTILITIES			
SP POWER ASSETS LTD 4.19% DUE 18/08/2015	2,000,000	2,130,956	2.15
Portfolio of investments		98,460,554	99.30
Other net assets		691,016	0.70
Net assets attributable to unitholders		99,151,570	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Singapore Bond Fund	
	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Industry - Primary (Summary)		
Quoted Bonds		
Brewery	0.25	-
Consumer Staples	3.01	2.59
Energy	5.95	6.29
Financials	50.35	45.55
Government	7.05	14.77
Government Agency	6.04	4.08
Industrials	7.88	8.36
Investment	0.76	-
Property Trust	8.32	6.64
Special Purpose Entity	7.54	6.43
Utilities	2.15	2.16
Portfolio of investments	99.30	96.87
Other net assets	0.70	3.13
Net assets attributable to unitholders	100.00	100.00

	United Singapore 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 %
By Geography - Secondary			
Quoted Bonds			
India	3,009,910	3.04	3.17
Malaysia	3,310,931	3.34	2.64
Singapore	80,179,977	80.86	81.71
South Korea	6,071,160	6.12	3.40
United States	5,888,576	5.94	5.95
Portfolio of investments	98,460,554	99.30	96.87
Other net assets	691,016	0.70	3.13
Net assets attributable to unitholders	99,151,570	100.00	100.00

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 31 December 2009 (Un-audited)

	United Sure Balanced Income Fund		
	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Industry - Primary			
UNIT TRUST			
UNITED INTERNATIONAL BOND FUND	29,866,942	29,866,942	31.52
UNITED SURE FUND [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]	61,857,158	64,207,730	67.76
Portfolio of investments		94,074,672	99.28
Other net assets		679,013	0.72
Net assets attributable to unitholders		94,753,685	100.00
		Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Industry - Primary (Summary)			
UNIT TRUST			
UNITED INTERNATIONAL BOND FUND		31.52	37.76
UNITED SURE FUND [FORMERLY KNOWN AS UOB OPTIMIX SURE FUND (S\$)]		67.76	61.99
Portfolio of investments		99.28	99.75
Other net assets		0.72	0.25
Net assets attributable to unitholders		100.00	100.00

As the sub-fund invests only into the above two underlying unit trusts governed by the laws of Republic of Singapore, hence no secondary representation is provided.

United Global 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)

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

1. General

United Global Portfolios (the “Fund”) is a Singapore registered umbrella fund constituted under a Trust Deed dated 24 September 1998 between UOB Asset Management Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The Fund comprises of three sub-funds namely, United Global Bond Fund (SGD), United Singapore Bond Fund and United Sure Balanced Income Fund which are denominated in Singapore dollars.

The primary activity of the sub-funds are that of investment trading. The sub-funds’ investment objectives are stated below:

United Global Bond Fund (SGD)

The investment objective of this sub-fund is to maximise returns over the longer term by investing mainly in sovereign bonds rated ‘A’ by Standard & Poor’s or ‘A2’ by Moody’s (or its equivalent rating) and above. There is no target industry or sector.

United Singapore Bond Fund

The investment objective of this sub-fund is to maximise returns over the longer term by investing mainly in SGD-denominated bonds and/or foreign currency-denominated bonds (including, without limitation, zero coupon bonds, callable bonds, equity-linked bonds and convertible bonds) and fixed income/debt securities of all maturities issued in Singapore by the Government, statutory bodies, public and private entities, SGD-denominated and/or foreign-currency denominated money market instruments, bond funds (including funds managed by the Manager) and/or time deposits in accordance with the CPF Investment Guidelines. There is no target industry or sector.

United Sure Balance Income Fund

The investment objective of this sub-fund is to provide investors with regular distributions and long-term growth through investments in global equities, global fixed income and money market instruments.

United Global 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)

2. Significant accounting policies

(a) Basis of accounting

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

The financial statements are expressed in Singapore dollars.

(b) Recognition of income

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

(c) Investments

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

(i) *Initial recognition*

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

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statements of Total Return in the period in which they arise.

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the 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 included in the Statements of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the sub-funds is the current market quoted bid price, or net asset values as appropriate. Accrued interest is included in the fair value of fixed income instruments.

United Global 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)

2. Significant accounting policies (continued)

(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 financial statements are presented in Singapore dollars, which is the sub-funds' functional and presentation currency.

(ii) *Transactions and balances*

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

(f) Financial derivatives

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

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

(g) Expenses charged to the sub-funds

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

United Global 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)

2. Significant accounting policies (continued)

(h) Distribution Policy

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. This amount shall not be treated as part of the property of the sub-funds.

3. Income tax

	<u>United Singapore Bond Fund (SGD)</u>		<u>United Sure Balanced Income Fund</u>	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	\$	\$	\$	\$
Singapore income tax	-	-	-	124,514
Overseas income tax	461	(17)	-	-
Total income tax	461	(17)	-	124,514

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

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

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

4. Distribution

	<u>United Sure Balanced Income Fund</u>	
	31 December 2009	31 December 2008
	\$	\$
Distribution of income paid during the financial period	1,772,050	2,141,345
Proposed distribution of income payable	313,817	562,619
	2,085,867	2,703,964

United Global 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

	United Global Bond Fund (SGD)	
	31 December 2009	30 June 2009
	\$	\$
Amount due from unitholders	1,177	30,892
Margin account with broker	-	1,052
Other receivable	412	-
	1,589	31,944

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Amount due from unitholders	28,800	-	-	150,000
Income receivable	-	-	283,164	229,134
Other receivable	-	-	14,331	-
	28,800	-	297,495	379,134

6. Cash and bank balances

	United Global Bond Fund (SGD)	
	31 December 2009	30 June 2009
	\$	\$
Cash at bank	112,104	62,906

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Cash at bank	1,091,923	3,702,283	1,592,806	1,618,516

United Global 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)

7. Payables

	United Global Bond Fund (SGD)	
	31 December 2009	30 June 2009
	\$	\$
Amount due to unitholders	7,123	6,371
Amount due to Manager	6,753	6,290
Amount due to Trustee	2,521	2,492
Other creditors and accrued expenses	8,923	13,939
	25,320	29,092

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Amount due to unitholders	-	-	50,724	588,022
Amount due to Manager	159,979	133,902	369,838	330,883
Amount due to Trustee	10,199	8,558	15,165	14,636
Other creditors and accrued expenses	9,529	15,141	461,744	466,611
	179,707	157,601	897,471	1,400,152

8. Fair value of financial derivatives

Financial derivatives contracts comprise 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 Global Bond Fund (SGD)

	31 December 2009			30 June 2009		
	Contract or underlying principal amount	Positive fair value	Negative fair value	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$	\$	\$	\$
Forward foreign exchange contracts	2,260,718	33,664	53,675	2,034,250	539	7,455

United Global 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. Net assets attributable to unitholders

	United Global Bond Fund (SGD)	
	31 December 2009	30 June 2009
	\$	\$
At the beginning of the financial period/year	2,941,783	4,768,498
Operations		
Change in net assets attributable to unitholders resulting from operations	(16,211)	123,979
Unitholders' contributions/ (withdrawals)		
Creation of units	576,140	5,417,249
Cancellation of units	(732,813)	(7,367,943)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(156,673)	(1,950,694)
Total decrease in net assets attributable to unitholders	(172,884)	(1,826,715)
At the end of the financial period/year	2,768,899	2,941,783
Units in issue (Note 10)	2,582,551	2,727,845
	\$	\$
Net assets attributable to unitholders per unit	1.07	1.08

United Global 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. Net assets attributable to unitholders (continued)

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
At the beginning of the financial period/year	89,156,405	88,759,278	92,288,265	121,684,948
Operations				
Change in net assets attributable to unitholders resulting from operations	5,124,753	1,574,538	7,194,130	(15,794,554)
Unitholders' contributions/ (withdrawals)				
Creation of units	10,343,801	31,421,439	4,104,849	4,764,506
Cancellation of units	(5,473,389)	(32,598,850)	(8,833,559)	(18,366,635)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	4,870,412	(1,177,411)	(4,728,710)	(13,602,129)
Total increase/(decrease) in net assets attributable to unitholders	9,995,165	397,127	2,465,420	(29,396,683)
At the end of the financial period/year	99,151,570	89,156,405	94,753,685	92,288,265
Units in issue (Note 10)	90,293,286	85,672,553	123,431,101	129,843,145
	\$	\$	\$	\$
Net assets attributable to unitholders per unit	1.10	1.04	0.77	0.71

United Global 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. Units in issue

	United Global Bond Fund (SGD)	
	31 December 2009	30 June 2009
Units at beginning of period/year	2,727,845	4,675,235
Units created	523,141	4,837,045
Units cancelled	(668,435)	(6,784,435)
Units at end of period/year	2,582,551	2,727,845

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
Units at beginning of period/year	85,672,553	86,708,634	129,843,145	147,508,717
Units created	9,634,210	30,629,511	5,347,854	6,365,680
Units cancelled	(5,013,477)	(31,665,592)	(11,759,898)	(24,031,252)
Units at end of period/year	90,293,286	85,672,553	123,431,101	129,843,145

11. Financial risk management

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

The sub-funds' assets principally consist of financial instruments such as equity investments, 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 Global 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)

11. 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 the Singapore dollars and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollar and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the sub-funds.

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

United Global Bond Fund (SGD)

As at 31 December 2009

	SGD \$	EUR \$	USD \$	Others \$	Total \$
Assets					
Portfolio of investments	-	1,397,075	713,560	589,902	2,700,537
Receivables	1,589	-	-	-	1,589
Cash and bank balances	65,698	134	46,272	-	112,104
Total Assets	67,287	1,397,209	759,832	589,902	2,814,230
Liabilities					
Payables	25,320	-	-	-	25,320
Net assets attributable to unitholders	2,768,899	-	-	-	2,768,899
Total Liabilities	2,794,219	-	-	-	2,794,219
Net assets	(2,726,932)	1,397,209	759,832	589,902	
Notional value of forward foreign exchange contracts					
	138,885	(562,053)	(176,949)	580,106	
Net currency exposure	(2,588,047)	835,156	582,883	1,170,008	

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Global Bond Fund (SGD) (continued)

As at 30 June 2009

	SGD \$	GBP \$	EUR \$	USD \$	Others \$	Total \$
Assets						
Portfolio of investments	-	606,395	1,428,535	743,773	104,238	2,882,941
Receivables	30,892	-	-	1,052	-	31,944
Cash and bank balances	62,508	-	136	262	-	62,906
Total Assets	93,400	606,395	1,428,671	745,087	104,238	2,977,791
Liabilities						
Payables	29,092	-	-	-	-	29,092
Net assets attributable to unitholders	2,941,783	-	-	-	-	2,941,783
Total Liabilities	2,970,875	-	-	-	-	2,970,875
Net assets	(2,877,475)	606,395	1,428,671	745,087	104,238	
Notional value of forward foreign exchange contracts	-	(345,622)	(661,821)	(26,353)	1,026,773	
Net currency exposure	(2,877,475)	260,773	766,850	718,734	1,131,011	

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Singapore Bond Fund

As at 31 December 2009

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	98,460,554	98,460,554
Receivables	-	28,800	28,800
Cash and bank balances	6,760	1,085,163	1,091,923
Total Assets	6,760	99,574,517	99,581,277
Liabilities			
Purchases awaiting settlement	-	250,000	250,000
Payables	-	179,707	179,707
Net assets attributable to unitholders	-	99,151,570	99,151,570
Total Liabilities	-	99,581,277	99,581,277
Net assets	6,760	(6,760)	
Notional value of forward foreign exchange contracts	-	-	
Net currency exposure	6,760	(6,760)	

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Singapore Bond Fund (continued)

As at 30 June 2009

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	86,361,723	86,361,723
Cash and bank balances	17,275	3,685,008	3,702,283
Total Assets	17,275	90,046,731	90,064,006
Liabilities			
Purchases awaiting settlement	-	750,000	750,000
Payables	-	157,601	157,601
Net assets attributable to unitholders	-	89,156,405	89,156,405
Total Liabilities	-	90,064,006	90,064,006
Net assets	17,275	(17,275)	
Notional value of forward foreign exchange contracts	-	-	
Net foreign exchange exposure	17,275	(17,275)	

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Sure Balanced Income Fund

As at 31 December 2009

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	94,074,672	94,074,672
Receivables	-	297,495	297,495
Cash and bank balances	16,911	1,575,895	1,592,806
Total Assets	16,911	95,948,062	95,964,973
Liabilities			
Payables	20,217	877,254	897,471
Proposed distribution of income	5,864	307,953	313,817
Net assets attributable to unitholders	-	94,753,685	94,753,685
Total Liabilities	26,081	95,938,892	95,964,973

As at 30 June 2009

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	92,060,821	92,060,821
Receivables	-	379,134	379,134
Cash and bank balances	1,100	1,617,416	1,618,516
Total Assets	1,100	94,057,371	94,058,471
Liabilities			
Payables	-	1,400,152	1,400,152
Proposed distribution of income	1,512	368,542	370,054
Net assets attributable to unitholders	-	92,288,265	92,288,265
Total Liabilities	1,512	94,056,959	94,058,471

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Investments, which is the significant item on the balance sheet is exposed to currency risk, other price risk and interest rate risk. Price risk sensitivity analysis includes the impact of currency risk on non-monetary investments. Consequently, currency risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the sub-funds' monetary assets and liabilities to changes in foreign exchange movements as at 31 December 2009 and 30 June 2009. The analysis is based on the assumptions that the functional currency increased or 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 unitolders		Net impact to net assets attributable to unitolders	
	\$	%	\$	%
<u>United Global Bond Fund (SGD)</u>				
GBP	42,708	12	33,900	13
EUR	58,461	7	53,680	7
USD	34,973	6	35,937	5
<u>United Singapore Bond Fund</u>				
USD	406	6	864	5

United Sure Balanced Income Fund

Currency risk sensitivity analysis has not been disclosed for United Sure Balanced Income Fund since the sub-fund's financial assets and liabilities are significantly denominated in Singapore dollars, being the functional currency of the sub-fund.

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

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

The table below summarises the impact of increases/decreases from the sub-fund's underlying investments in equities and other funds 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 and the price of the underlying increased/ decreased by a reasonable possible shift, with all other variables held constant and that the fair value of sub-fund's investments moved according to the historical correlation with the index or proportionately to the price change.

United Sure Balanced Income 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	
	\$	%	\$	%
MSCI AC World Index [Benchmark of United Sure Fund]	13,483,623	20	9,611,634	5

(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-funds hold interest bearing securities that expose the sub-funds to fair value interest rate risk. The sub-funds hold securities of varying maturities and interest rate sensitivities. Movement in market interest rates will affect the valuation of the sub-funds' securities by varying degrees. The sub-funds' 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-funds' portfolio is a measure of the sensitivity of the fair value of the sub-funds' fixed interest securities to changes in market interest rates.

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarises the sub-funds' exposure to interest rate risks. They include the sub-funds' 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 Global Bond Fund (SGD)

As at 31 December 2009

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	123,358	2,577,179	-	2,700,537
Receivables	-	-	1,589	1,589
Financial derivatives at fair value	-	-	33,664	33,664
Cash and bank balances	112,104	-	-	112,104
Total Assets	235,462	2,577,179	35,253	2,847,894
Liabilities				
Payables	-	-	25,320	25,320
Financial derivatives at fair value	-	-	53,675	53,675
Net assets attributable to unitholders	-	-	2,768,899	2,768,899
Total Liabilities	-	-	2,847,894	2,847,894

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Global Bond Fund (SGD) (continued)

As at 30 June 2009

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	2,882,941	-	2,882,941
Receivables	-	-	31,944	31,944
Financial derivatives at fair value	-	-	539	539
Cash and bank balances	62,906	-	-	62,906
Total Assets	62,906	2,882,941	32,483	2,978,330
Liabilities				
Payables	-	-	29,092	29,092
Financial derivatives at fair value	-	-	7,455	7,455
Net assets attributable to unitholders	-	-	2,941,783	2,941,783
Total Liabilities	-	-	2,978,330	2,978,330

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Singapore Bond Fund

As at 31 December 2009

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	10,472,484	87,988,070	-	98,460,554
Receivables	-	-	28,800	28,800
Cash and bank balances	1,091,923	-	-	1,091,923
Total Assets	11,564,407	87,988,070	28,800	99,581,277
Liabilities				
Purchases awaiting settlement	-	-	250,000	250,000
Payables	-	-	179,707	179,707
Net assets attributable to unitholders	-	-	99,151,570	99,151,570
Total Liabilities	-	-	99,581,277	99,581,277

As at 30 June 2009

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	7,986,481	78,375,242	-	86,361,723
Cash and bank balances	3,702,283	-	-	3,702,283
Total Assets	11,688,764	78,375,242	-	90,064,006
Liabilities				
Purchases awaiting settlement	-	-	750,000	750,000
Payables	-	-	157,601	157,601
Net assets attributable to unitholders	-	-	89,156,405	89,156,405
Total Liabilities	-	-	90,064,006	90,064,006

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Sure Balanced Income Fund

As at 31 December 2009

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-		94,074,672	94,074,672
Receivables	-		297,495	297,495
Cash and bank balances	1,592,806		-	1,592,806
Total Assets	1,592,806		- 94,372,167	95,964,973
Liabilities				
Payables	-		897,471	897,471
Proposed distribution of income	-		313,817	313,817
Net assets attributable to unitholders	-		94,753,685	94,753,685
Total Liabilities	-		- 95,964,973	95,964,973

As at 30 June 2009

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-		92,060,821	92,060,821
Receivables	-		379,134	379,134
Cash and bank balances	1,618,516		-	1,618,516
Total Assets	1,618,516		- 92,439,955	94,058,471
Liabilities				
Payables	-		1,400,152	1,400,152
Proposed distribution of income	-		370,054	370,054
Net assets attributable to unitholders	-		92,288,265	92,288,265
Total Liabilities	-		- 94,058,471	94,058,471

United Global 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)

11. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

As at 31 December 2009, should interest rates have lowered or risen by respective percentages as disclosed below with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the period/year would be as follows:

	31 December 2009		30 June 2009	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
United Global Bond Fund (SGD)				
EUR	138,267	1	460,560	5
USD	138,267	1	214,162	6
GBP	1,935,745	14	738,225	15
United Singapore Bond Fund				
SGD	3,593,810	1	4,035,683	1
United Sure Balanced Income Fund				
SGD	663,046	1	712,308	1

The sub-funds have 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-funds 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-funds' net assets attributable to holders of redeemable shares of future movements in interest rates.

(b) Liquidity risk

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

United Global 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)

11. Financial risk management (continued)

(b) Liquidity risk (continued)

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

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 tables below analyse the sub-funds' financial liabilities and net settled derivative 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 Global Bond Fund (SGD)

As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Derivative financial instruments				
- inflows	1,231,906	-	-	-
- outflows	(1,285,582)	-	-	-
Payables	25,320	-	-	-
Net assets attributable to unitholders	2,768,899	-	-	-

As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Derivative financial instruments				
- inflows	1,371,805	-	-	-
- outflows	(1,379,487)	-	-	-
Payables	29,092	-	-	-
Net assets attributable to unitholders	2,941,783	-	-	-

United Global 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)

11. Financial risk management (continued)

(b) Liquidity risk (continued)

United Singapore Bond Fund

As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Purchases awaiting settlement	250,000	-	-	-
Payables	179,707	-	-	-
Net assets attributable to unitholders	99,151,570	-	-	-

As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Purchases awaiting settlement	750,000	-	-	-
Payables	157,601	-	-	-
Net assets attributable to unitholders	89,156,405	-	-	-

United Sure Balanced Income Fund

As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	897,471	-	-	-
Proposed distribution of income	313,817	-	-	-
Net assets attributable to unitholders	94,753,685	-	-	-

As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	1,400,152	-	-	-
Proposed distribution of income	370,054	-	-	-
Net assets attributable to unitholders	92,288,265	-	-	-

United Global 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)

11. Financial risk management (continued)

(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.

The sub-funds invest 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-funds' investments by credit ratings expressed as a percentage of net assets attributable to unitholders.

United Global Bond Fund (SGD)

As at 31 December 2009

Fixed rate securities	Aaa 75%	Aa2 18%	Aa3 4%
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As at 30 June 2009

Fixed rate securities	Aaa 80%	Aa2 18%	Aa3 -
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United Singapore Bond Fund

As at 31 December 2009

Fixed rate securities	Aaa 9%	Aa2 3%	Aa3 6%	A2 4%	A3 3%	Baa2 6%	Non rated 57%
Floating rate securities	-	-	2%	-	3%	-	5%

As at 30 June 2009

Fixed rate securities	Aaa 15%	Aa2 10%	Aa3 7%	A2 -	A3 5%	Baa2 -	Non rated 52%
Floating rate securities	-	2%	3%	-	-	-	4%

United Global 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)

11. Financial risk management (continued)

(c) Credit risk (continued)

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-funds' assets are held as at 31 December 2009 and 30 June 2009.

United Global Bond Fund (SGD)

As at 31 December 2009	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank and Trust Co.	B	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
Citibank N.A.	C-	Moody's
<hr/>		
As at 30 June 2009	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
JP Morgan Chase Bank	B	Moody's
<u>Custodian</u>		
State Street Bank and Trust Co.	B	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
United Overseas Bank Limited	B	Moody's
Citibank N.A.	C-	Moody's

United Global 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)

11. Financial risk management (continued)

(c) Credit risk (continued)

United Singapore Bond Fund

	Credit rating	Source of credit rating
As at 31 December 2009		
<u>Bank</u>		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank and Trust Co.	B	Moody's
<hr/>		
As at 30 June 2009		
<u>Bank</u>		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank and Trust Co.	B	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
Citibank N.A.	C-	Moody's

United Global 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)

11. Financial risk management (continued)

(c) Credit risk (continued)

United Sure Balanced Income Fund

	Credit rating	Source of credit rating
As at 31 December 2009		
<u>Bank</u>		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank and Trust Co.	B	Moody's
<hr/>		
As at 30 June 2009		
<u>Bank</u>		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank and Trust Co.	B	Moody's
<hr/>		

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 Global 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)

12. Related party transactions

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

Management and valuation fees are paid to the Manager, while trustee fee is paid to the Trustee and the registrar fee is paid to HSBC Securities Services (Transfer Agency) Pte Ltd, a subsidiary of HSBC Holdings Plc. Management fees paid to the Manager in respect of United Sure Balanced Income Fund is net of management fee rebate received from the Manager. These fees paid or payable by the Fund shown in the Statements of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

- (b) As at the end of the financial period/year, the sub-funds maintained current accounts with United Overseas Bank Limited as follows:

	United Global Bond Fund (SGD)			
	31 December 2009		30 June 2009	
	\$		\$	
Bank balances	2,549		1,159	

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Bank balances	8,981	9,476	1,480,147	1,617,416

United Global 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)

12. Related party transactions (continued)

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

	United Global Bond Fund (SGD)	
	31 December 2009	30 June 2009
	\$	\$
Bank charges	75	-

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	30 June 2009	31 December 2009	30 June 2009
	\$	\$	\$	\$
Bank charges	30	-	30	-

13. Financial ratios

	United Global Bond Fund (SGD)	
	31 December 2009	31 December 2008
Expense ratio ¹	1.89%	1.13%
Turnover ratio ²	4.28%	45.29%

	United Singapore Bond Fund		United Sure Balanced Income Fund	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Expense ratio ¹	0.78%	0.79%	0.83%	1.28%
Turnover ratio ²	8.88%	37.08%	4.70%	0.65%

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

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

