



United Global Capital Fund

Semi Annual Report

for the period 1st July to
31st December 2011

United Global Capital Fund

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

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

OPERATIONS ADDRESS

80 Raffles Place

#06-00, UOB Plaza 2

Singapore 048624

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT

Terence Ong Sea Eng

Yeo Eng Cheong

Thio Boon Kiat

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited

21 Collyer Quay

#14-01, HSBC Building

Singapore 049320

AUDITORS

PricewaterhouseCoopers LLP

8 Cross Street

#17-00, PWC Building

Singapore 048424

SOLICITORS TO THE MANAGER

Allen & Gledhill LLP

One Marina Boulevard

#28-00

Singapore 018989

SOLICITORS TO THE TRUSTEE

Shook Lin & Bok LLP

1 Robinson Road

#18-00, AIA Tower

Singapore 048542

United Global Capital Fund

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

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	12 July 1996 Ann Comp Ret
United Global Capital Fund	7.92	-7.02	-9.05	3.95	-12.31	-1.86	2.73
Benchmark	3.60	-15.37	-17.50	0.19	-16.81	-4.65	0.93

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: Jul 96 – Present: MSCI World Finance.

Performance Review

For the six months to December 2011, the Fund fell by **7.0%**, compared with a 15.4% decline in the benchmark **MSCI World Financial Index**, in Singapore dollar terms.

The Fund outperformed significantly during the period, due in part to the decision to go underweight in European financials and to avoid many large diversified financials that are still in the process of responding to the challenges of the recent crisis. The past half year has been one of the strongest periods in relative performance terms for the Fund. However, it is still a disappointment in absolute performance terms.

Due to the ongoing deleveraging of the financial sector in Europe and the more limited growth opportunities in the US and Japan, the Fund continues to adopt a nimble approach in terms of finding opportunities in more dynamic sub-sectors (payment services, trust & custody services, asset management), and continues to push into emerging markets where there are more favourable growth opportunities. The Fund has a diversified mix of exposures in Brazil, Indonesia, India, Thailand, Poland and Mexico.

Financial sector performance by region:

In price terms the MSCI World Finance Index fell by 16.5% in the six months to December 2011. By sub-sector, Banks dropped by 16.6%, Diversified Financials fell by 23.7%, Insurance declined 13.2%, while Real Estate dipped by 7.8%¹.

By region, the US declined by 10.6%, Europe fell by 28.9%, and Asia (ex. Japan)² dropped by 18.1%. Meanwhile, Japan, Australia and Canada dipped by 8.9%, 8.4% and 11.0%, respectively, all in Singapore dollar terms.

¹ The Fund does not invest in Real Estate.

² MSCI AC Asia (ex. Japan) Finance Index (Note: the benchmark only include developed Asia)

United Global Capital Fund

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

Performance Contribution:

Key contributions to performance include: **Mastercard Inc** (US), **Visa Inc** (US), **USBancorp** (US), **Credicorp Ltd** (Peru), **PNC Financial** (US), **Ace Ltd** (US), and **Redecard** (Brazil).

Key detractors from performance include: **Admiral Group** (UK), **PT Bank Danamon** (Indonesia), **JPMorgan Chase** (US), **Banco Itau** (Brazil), and **Garanti Bank** (Turkey).

Asset Allocation:

As at 31 December 2011, the sub-sector exposure of the Fund was as follows: Bank (50%), Diversified Financials (18%), Insurance (9%), Software & Services³ (18%), and Cash (5%).

	Portfolio (%)	Benchmark (%)	Active Weight (Pct Pts)
Banks	49.3	41.4	+7.9
Diversified Financials	18.4	22.6	-4.2
Insurance	9.3	21.5	-12.2
Real Estate	-	14.5	-14.5
Other	18.4	-	+18.4
Net Cash	4.6	-	+4.6
Total	100.0	100.0	

The geographic exposure of the Fund was as follows: US (46%), Canada (1%), Europe (17%), Japan (1%), Asia Pacific ex-Japan (14%), Latin America (14%) and EMEA⁴ (2%) and Net Liquidity (5%).

	Portfolio (%)	Benchmark (%)	Active Weight (Pct Pts)
US	45.9	39.2	+6.7
Canada	1.3	9.5	-8.2
Europe	14.8	27.6	-12.8
Japan	1.4	8.6	-7.2
Australia & NZ	1.6	9.3	-7.7
Asia (ex. Japan) - Developed	-	5.8	-5.8
Asia (ex. Japan) - Emerging	12.5	-	+12.5
Latin America	13.7	-	+13.7
EMEA	4.2	-	+4.2
Net Cash	4.6	-	+4.6
Total	100.0	100.0	

³ Software & Services mainly reflects holdings in financial processing companies (Visa & MasterCard)

⁴ EMEA represents Eastern Europe, Middle East and Africa

United Global Capital Fund

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

Invested levels averaged 98% during the reporting period. The Fund ended the period with a cash balance of 5%.

Outlook and Strategy

The outlook for the global financial sector remains mixed. While continued growth opportunities are evident for financial institutions operating in much of the emerging world, developed world financials continue to face challenges, and especially the European names. The combination of post Global Financial Crisis (GFC) deleveraging and regulatory change is a significant headwind for many institutions.

European financial institutions face significant headwinds for several key reasons: (1) sovereign debt challenge, (2) difficult economic conditions, (3) regulatory change, and (4) capital and funding pressures.

Sovereign debt challenge: The sovereign debt problems of Greece can be absorbed by the banking systems outside of Greece without inflicting too much pain. However, the unintended consequence of not clearing the deck on Greece and putting the economy onto a stable growth path may return to haunt European policy makers. Markets are already beginning to question which country is next, and it is clear that more decisive action is needed to limit contagion.

Difficult economic conditions: Expectations for economic growth across the Euro zone has plummeted in late 2011, with the Euro area now expected to enter this year. A weaker economic backdrop may result in higher credit losses in domestic banking books in Europe.

Regulatory changes: Basel III will bring forward both higher capital standards and a tighter focus on funding. Many of Europe's banks are scrambling to de-leverage, driven in part by Basel and in part by a strategic re-think of how to economically deploy capital. This is creating significant disruption in wholesale banking markets globally. The ongoing exit of European banks from market segments like project finance, aircraft and shipping finance and even global trade finance as well as the repositioning of corporate banking and markets businesses into more capital efficient models is wreaking havoc across many global markets. The entire process is also raising the cost of borrowing and having second and third order effects that are still being played out.

Capital and funding pressures: Many of the largest European financial institutions continue to face acute funding pressures and potential capital shortfalls, especially if losses in public debt combined with adverse economic conditions to bring forward heavier losses in banking books. Until the decks are cleared on capital and only when the banks fully reposition their business models, will their earnings power return. In the near term, most will continue to shrink in both assets and revenues.

In stark contrast to Europe, US policy makers bit the bullet and recapitalized their banks quickly. Even as some of the largest institutions (eg. Citigroup and Bank of America) continue to suffer and attempt to reposition strategically, many medium sized institutions are again thriving, and are well positioned for growth by taking market share. Opportunities in the domestic sector will continue to be driven by market share gains. Meanwhile, many of the leading fiduciary service firms in the US continue to find excellent growth opportunities globally. This is most visible in areas like payment services, trust & custody and asset management.

United Global Capital Fund

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

The Fund's ongoing strategy and investment approach remains unchanged. Namely using bottom up analysis to identify and invest in high quality businesses that should deliver superior profitability and above-average top and bottom line growth. The Fund actively seeks to invest in companies with tested business models and differentiated product capabilities that are tightly managed from the standpoint of both risk and costs.

Regional Views

The US continues to stand out as the region offering the greatest opportunity for investment in financial services. Several factors underpin our assessment: (1) the US market has the best risk-adjusted margins of any developed banking market, (2) the business models for the vast majority of mid-to-large sized banks do not require significant restructuring, and (3) most of the leading global fiduciary services companies are headquartered in the US.

In the US, banks have been recapitalized, household balance sheets have been repaired, credit has been re-priced, and credit losses are improving. This should provide a backdrop for a multi-year improvement in earnings, with the stronger benefitting from the opportunity to pick up market share.

In Europe, the Fund is expected to remain more defensively postured. Fiscal problems combined with banking system weaknesses is a potential toxic combination for the regions outlook and for investors alike. Banks and policy makers have been slow in trying to ring fence the financial sector from sovereign problems, further European banks face significant revenue headwinds linked to strategic restructuring plans. Many remain in the early phase of reducing exposure to wholesale and corporate & investment banking lines of business and most continue to grapple with funding challenges. The restructuring of the European banking system will be a multi-year project. The transition phase will likely result in both revenue declines, and elevated credit losses and the need to squeeze out operating costs. Sector profitability will continue to suffer, and it is anticipated that significant capital injections lie ahead.

Against this hostile backdrop, the Fund is focused on investment opportunities among the retail banks that do not carry material wholesale cross-border exposures. In addition, the Fund continues to look for opportunities among property & casualty insurers, asset managers and other institutions that are less credit exposed.

Compared to our write-up a year ago, when we claimed that "many institutions fail to acknowledge flaws in their operating models", recent events and market pressures have compelled these companies to at last acknowledged their prior sins and they have seemingly found religion.

The inability to consistently fund certain wholesale lending activities, the higher funding costs and heavier capital charges have made it more difficult to generate economic returns from these activities. In wholesale lending areas like aircraft & ship financing, project finance and trade finance, many lenders have made a mass stampede for the exit, with European lenders leading the way. This has left many borrowers high and dry, and is having significant implications on credit availability loan re-pricing, that are now being felt across the globe. For example, it is not uncommon for a Singapore based ship owner, who previously had access to credit at Libor +50bps, to find that refinancing costs have moved north of Libor +200bps. Banks are finally more accurately pricing for both credit risk, funding risks and capital charges. The fund is expected to continue to underweight Europe.

United Global Capital Fund

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

The outlook for Japanese financials remains moribund. Japanese institutions continue to rely on too much leverage to generate returns. Asset yields have not sufficiently been re-priced to restore core profitability. Overall credit demand is non-existent, and capital levels will need to be lifted to comply with Basel III. The economic backdrop in Japan and the prevailing interest rate environment create limited opportunities for investment. The Fund is expected to continue to be underweight in Japan.

Prospects for banks in developed Asia have deteriorated. Weaker economic growth and softening real estate markets are a significant headwind. More importantly, loan margins have continued to compress and core profitability in most markets is not particularly attractive, especially if credit trends start to normalize. Net interest margins (NIMs) in much of developed Asia are below 200 bps. Beyond the risks in the banks' books, fee related businesses are also facing headwinds due to weaker revenue growth. Overall profitability levels are likely to remain constrained. And while policy makers have belatedly implemented prudential measures to try to contain credit risk, too little was done too late. The challenge in investing against such a backdrop is that any shift in credit quality can have a punitive impact on profitability. To mitigate this risk, the Fund continues to position in emerging Asia where interest margins are higher and growth prospects look more durable. The Fund has specifically targeted leading companies with high levels of core profitability in India, Indonesia and Thailand.

The Chinese banking system has de-rated tremendously over the past couple of years. And while it is tempting to position in the banks, we question the quality of data available to make informed investment decisions. It is important to realize that the Chinese financial system serves as a policy tool for the government. A significant portion of credit extension has been channeled to the State Owned Enterprises (SOEs) as well as to the Local Governments via Local Government Financing Vehicles (LGFVs). The key problem for investors is getting an accurate read on the loss content within the banking books and the core profitability of the financial sector. What is clear is that current loss rates are artificially suppressed through ever-greening. With the real estate sector facing tremendous headwinds and asset prices likely to fall, we would rather deploy our capital where the return profile is clearer.

The Fund continues to find excellent opportunities in developing economies in Latin America and Eastern Europe. Financials in these regions share many of the same characteristics as those in developing Asia, namely limited levels of household and corporate debt and exceptionally high net interest margins and strong levels of core banking system profitability. Brazil, Mexico, Peru and Poland are areas where the Fund has positioned for a multi year opportunity for strong growth.

United Global Capital Fund

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

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

	Fair Value (S\$)	% of NAV
i) Country		
Australia	682,276	1.59
Brazil	4,286,746	10.00
Canada	571,239	1.33
Germany	728,467	1.70
India	2,309,014	5.39
Indonesia	1,958,381	4.57
Japan	596,166	1.39
Mexico	883,265	2.06
Peru	709,268	1.65
Poland	926,057	2.16
South Africa	396,500	0.92
Spain	1,613,644	3.76
Switzerland	380,633	0.89
Thailand	1,091,672	2.55
Turkey	506,343	1.18
United Kingdom	3,614,679	8.43
United States	19,672,968	45.88
Portfolio of investments	40,927,318	95.45
Other net assets	1,950,752	4.55
Total	42,878,070	100.00
ii) Industry		
Financials	33,061,588	77.10
Information Technology	7,865,730	18.35
Portfolio of investments	40,927,318	95.45
Other net assets	1,950,752	4.55
Total	42,878,070	100.00
iii) Asset Class		
Equities	40,927,318	95.45
Other net assets	1,950,752	4.55
Total	42,878,070	100.00
iv) Credit rating of debt securities		
N/A		

United Global Capital Fund

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

C) Top Ten Holdings

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

10 largest holdings at 31 December 2011

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
VISA INCORPORATION CLASS A SHARES	2,369,913	5.53
MASTERCARD INC - A	2,175,844	5.07
US BANCORP	2,104,463	4.91
NORTHERN TRUST CORPORATION	1,799,880	4.20
STATE STREET CORPORATION	1,567,650	3.66
PNC FINANCIAL SERVICES GROUP INCORPORATION	1,495,815	3.49
HSBC HOLDINGS (LONDON)	1,484,290	3.46
ITAU UNIBANCO HOLDING SA - ADR	1,442,393	3.36
BB&T CORPORATION	1,305,467	3.04
BANCO BRADESCO - ADR	1,297,687	3.03

10 largest holdings at 31 December 2010

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
US BANCORP	2,936,743	4.61
VISA INCORPORATION CLASS A SHARES	2,704,809	4.25
STATE STREET CORPORATION	2,671,374	4.19
NORTHERN TRUST CORPORATION	2,484,404	3.90
T ROWE PRICE GROUP INC	2,479,216	3.89
JPMORGAN CHASE & COMPANY	2,444,820	3.84
BANCO BILBAO VIZCAYA ARGENTARIA SA	2,260,406	3.55
HSBC HOLDINGS (LONDON)	1,958,843	3.08
PNC FINANCIAL SERVICES GROUP INCORPORATION	1,944,634	3.05
ITAU UNIBANCO HOLDING SA - ADR	1,843,175	2.89

D) Exposure to derivatives

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

N/A

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

N/A

United Global Capital Fund

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

D) Exposure to derivatives (continued)

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

N/A

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

N/A

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

N/A

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

Total amount of redemptions	SGD	6,481,841
Total amount of subscriptions	SGD	604,358

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

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

Bank balances	SGD	38,253
---------------	-----	--------

ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2011

Holdings of United Global Capital Fund as at 31 December 2011 were as follows:-

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price</u> <u>SGD</u>	<u>Market Value</u> <u>SGD</u>
a) OSK- UOB Global Capital Fund	6,658,970.76	1.3770	9,169,402.74

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

N/A

iv) As at 31 December 2011, there was no brokerage income earned by UOB Kay Hian Pte Ltd.

United Global Capital Fund

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

I) Expense ratios

31 December 2011	1.98%
31 December 2010	1.97%

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

J) Turnover ratios

31 December 2011	12.48%
31 December 2010	0.61%

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

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

N/A

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

- i) top 10 holdings at fair value and as percentage of NAV as at 31 December 2011 and 31 December 2010

N/A

- ii) expense ratios for the period 31 December 2011 and 31 December 2010. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

- iii) turnover ratios for the period 31 December 2011 and 31 December 2010

N/A

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

United Global Capital Fund

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

M) Soft dollar commissions/arrangements

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

United Global Capital Fund

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

STATEMENT OF TOTAL RETURN

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

	Note	31 December 2011 \$	31 December 2010 \$
Income			
Dividends		595,655	726,149
Interest		8	10
		595,663	726,159
Less: Expenses			
Management fee	9	334,289	520,201
Trustee fee	9	8,914	13,872
Audit fee		6,217	5,903
Registrar fee	9	7,520	7,541
Valuation fee	9	27,857	43,350
Custody fee		31,282	36,227
Interest expenses		44	1,333
Other expenses		58,446	56,997
		474,569	685,424
Net income		121,094	40,735
Net gains or losses on value of investments			
Net realised loss on investments		(2,202,441)	(4,290,885)
Net change in fair value on investments		(1,720,259)	8,183,655
Net foreign exchange loss		(11,162)	(63,885)
Net (loss)/gain on value of investments		(3,933,862)	3,828,885
Total (deficit)/return for the period before income tax		(3,812,768)	3,869,620
Less : Income tax	3	(103,191)	(111,235)
Total (deficit)/return for the period		(3,915,959)	3,758,385

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

United Global Capital Fund

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

BALANCE SHEET

As at 31 December 2011 (Un-audited)

		31 December 2011	30 June 2011
	Note	\$	\$
ASSETS			
Portfolio of investments		40,927,318	51,096,582
Receivables	4	132,445	214,877
Sales awaiting settlement		-	433,175
Cash and bank balances		2,127,867	1,835,294
Total Assets		43,187,630	53,579,928
LIABILITIES			
Payables	5	309,560	908,416
Net assets attributable to unitholders	6	42,878,070	52,671,512
Total Liabilities		43,187,630	53,579,928

United Global Capital Fund

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

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Holdings at 31 December 2011	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
By Geography - Primary Quoted Equities			
AUSTRALIA			
AUSTRALIA AND NEW ZEALAND BANK	25,000	682,276	1.59
BRAZIL			
BANCO BRADESCO - ADR	60,000	1,297,687	3.03
CIELO	25,000	836,454	1.95
ITAU UNIBANCO HOLDING SA - ADR	60,000	1,442,393	3.36
REDECARD	35,000	710,212	1.66
TOTAL BRAZIL		4,286,746	10.00
CANADA			
BANK OF NOVA SCOTIA	3,000	193,877	0.45
MANULIFE FINANCIAL CORPORATION - US	13,000	179,016	0.42
ROYAL BANK OF CANADA COM NPV	3,000	198,346	0.46
TOTAL CANADA		571,239	1.33
GERMANY			
WIRECARD AG	35,000	728,467	1.70
INDIA			
AXIS BANK LIMITED	35,000	688,796	1.61
HDFC BANK LIMITED	22,000	749,671	1.75
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	55,000	870,547	2.03
TOTAL INDIA		2,309,014	5.39
INDONESIA			
BANK RAKYAT INDONESIA	1,300,000	1,254,822	2.93
PT BANK DANAMON INDONESIA	1,200,000	703,559	1.64
TOTAL INDONESIA		1,958,381	4.57

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

United Global Capital Fund

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

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Holdings at 31 December 2011	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
By Geography - Primary (continued)			
Quoted Equities			
JAPAN			
SURUGA BANK LTD	25,000	290,289	0.68
THE BANK OF YOKOHAMA	50,000	305,877	0.71
TOTAL JAPAN		596,166	1.39
MEXICO			
GRUPO FINANCIERO BANORTE DE CV (MXN)	225,000	883,265	2.06
PERU			
CREDICORP LIMITED	5,000	709,268	1.65
POLAND			
POWSZECHNA KASA OSZCZEDNOSCI BANK POLSKI LTD	75,000	926,057	2.16
SOUTH AFRICA			
STANDARD BANK GROUP LIMITED	25,000	396,500	0.92
SPAIN			
BANCO BILBAO VIZCAYA ARGENTARIA SA	100,000	1,120,200	2.61
BANCO SANTANDER CENTRAL HIPANCO	50,000	493,444	1.15
TOTAL SPAIN		1,613,644	3.76
SWITZERLAND			
BANK SARASIN & CIE	10,000	380,633	0.89
THAILAND			
KASIKORN BANK PCL - FOREIGN	100,000	503,453	1.18
SIAM COMMERCIAL BANK (F)	125,000	588,219	1.37
TOTAL THAILAND		1,091,672	2.55

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

United Global Capital Fund

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

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Holdings at 31 December 2011	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %
By Geography - Primary (continued)			
Quoted Equities			
TURKEY			
TURKIYE GARANTI BANKASI A.S.	125,000	506,343	1.18
UNITED KINGDOM			
ABERDEEN ASSET MANAGEMENT PLC	300,000	1,271,946	2.97
ADMIRAL GROUP PLC	50,000	858,443	2.00
HSBC HOLDINGS (LONDON)	150,000	1,484,290	3.46
TOTAL UNITED KINGDOM		3,614,679	8.43
UNITED STATES			
ACE LTD	10,000	909,341	2.12
AFLAC INC	10,000	560,931	1.31
ALLSTATE CORPORATION	28,000	995,153	2.32
BB&T CORPORATION	40,000	1,305,467	3.04
GLOBAL PAYMENTS INC	17,000	1,044,840	2.44
JP MORGAN CHASE & COMPANY	25,000	1,077,516	2.51
MASTERCARD INC - A	4,500	2,175,844	5.07
NORTHERN TRUST CORPORATION	35,000	1,799,880	4.20
NYSE EURONEXT (US)	20,000	676,851	1.58
PNC FINANCIAL SERVICES GROUP INCORPORATION	20,000	1,495,815	3.49
RENAISSANCE RE HOLDINGS LTD	5,000	482,224	1.12
STATE STREET CORPORATION	30,000	1,567,650	3.66
T ROWE PRICE GROUP INC	15,000	1,107,080	2.58
US BANCORP	60,000	2,104,463	4.91
VISA INCORPORATION CLASS A SHARES	18,000	2,369,913	5.53
TOTAL UNITED STATES		19,672,968	45.88
Portfolio of investments		40,927,318	95.45
Other net assets		1,950,752	4.55
Net assets attributable to unitholders		42,878,070	100.00

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

United Global Capital Fund

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

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Percentage of total net assets attributable to unitholders at 31 December 2011 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography - Primary (Summary)		
Quoted Equities		
Australia	1.59	1.37
Brazil	10.00	10.97
Canada	1.33	2.26
Germany	1.70	1.46
India	5.39	3.40
Indonesia	4.57	3.84
Japan	1.39	1.45
Mexico	2.06	2.64
Peru	1.65	1.61
Poland	2.16	2.67
South Africa	0.92	1.37
Spain	3.76	7.60
Switzerland	0.89	0.92
Thailand	2.55	2.87
Turkey	1.18	1.58
United Kingdom	8.43	8.78
United States	45.88	42.22
Portfolio of investments	95.45	97.01
Other net assets	4.55	2.99
Net assets attributable to unitholders	100.00	100.00

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

United Global Capital Fund

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

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Fair value at 31 December 2011 \$	Percentage of total net assets attributable to unitholders at 31 December 2011 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Industry - Secondary Quoted Equities			
Financials	33,061,588	77.10	80.58
Information Technology	7,865,730	18.35	16.43
Portfolio of investments	40,927,318	95.45	97.01
Other net assets	1,950,752	4.55	2.99
Net assets attributable to unitholders	42,878,070	100.00	100.00

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

1. General

United Global Capital Fund (the “Fund”) is a Singapore registered trust fund constituted by a Trust Deed dated 31 January 1996 between UOB Asset Management Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The primary activity of the Fund is that of investment trading. The Fund’s investment objective is to invest in a wide range of sub-sectors within the finance sector.

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 Statement of Total Return in the period in which they arise.

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

2. Significant accounting policies (continued)

(c) Investments (continued)

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

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

(e) Foreign currency translation

(i) *Functional and presentation currency*

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

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

(ii) *Transactions and balances*

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

(f) Expenses charged to the Fund

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

3. Income tax

	31 December 2011	31 December 2010
	\$	\$
Overseas income tax	103,191	111,235

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

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

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

The Fund is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Fund's gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Fund. Therefore when measuring any uncertain tax liabilities management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

As at 31 December 2011 and 2010, the Fund has uncertain taxes exposure with respect to gains on investment of which the tax liability is estimated to be nil. While this represents the Manager's best estimate, the estimated value could differ significantly from the amount ultimately payable.

4. Receivables

	31 December 2011	30 June 2011
	\$	\$
Amounts receivable for creation of units	18,637	109,066
Dividend receivable	113,808	105,370
Other receivable	-	441
	132,445	214,877

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

5. Payables

	31 December 2011	30 June 2011
	\$	\$
Amounts payable for cancellation of units	121,349	657,631
Amount due to Manager	173,974	229,036
Amount due to Trustee	4,280	5,628
Other creditors and accrued expenses	9,957	16,121
	309,560	908,416

6. Net assets attributable to unitholders

	31 December 2011	30 June 2011
	\$	\$
At the beginning of the financial period/year	52,671,512	71,483,371
Operations		
Change in net assets attributable to unitholders resulting from operations	(3,915,959)	2,576,815
Unitholders' contributions/(withdrawals)		
Creation of units	604,358	6,911,623
Cancellation of units	(6,481,841)	(28,300,297)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(5,877,483)	(21,388,674)
Total decrease in net assets attributable to unitholders	(9,793,442)	(18,811,859)
At the end of the financial period/year	42,878,070	52,671,512
Units in issue (Note 7)	31,145,603	35,579,315
	\$	\$
Net assets attributable to unitholders per unit	1.38	1.48

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

7. Units in issue

	31 December 2011	30 June 2011
Units at beginning of the period/year	35,579,315	49,760,896
Units created	451,690	4,647,372
Units cancelled	(4,885,402)	(18,828,953)
Units at end of the period/year	31,145,603	35,579,315

8. Financial risk management

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

The Fund's assets principally consist of financial instruments such as equity investments, money market investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

(a) Market risk

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

(i) Foreign exchange risk

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2011

	USD	GBP	EUR	INR	SGD	Others	Total
	\$	\$	\$	\$	\$	\$	\$
Assets							
Portfolio of investments	24,051,003	3,614,679	2,342,111	1,559,343	-	9,360,182	40,927,318
Receivables	80,069	31,436	-	-	18,142	2,798	132,445
Cash and bank balances	24,562	2	207	8,790	2,041,449	52,857	2,127,867
Total Assets	24,155,634	3,646,117	2,342,318	1,568,133	2,059,591	9,415,837	43,187,630
Liabilities							
Payables	24,390	-	-	-	285,170	-	309,560
Net assets attributable to unitholders	-	-	-	-	42,878,070	-	42,878,070
Total Liabilities	24,390	-	-	-	43,163,240	-	43,187,630
Net currency exposure	24,131,244	3,646,117	2,342,318	1,568,133	(41,103,649)	9,415,837	

United Global Capital Fund
(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

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

8. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2011

	USD \$	GBP \$	EUR \$	INR \$	SGD \$	Others \$	Total \$
Assets							
Portfolio of investments	27,049,172	4,624,699	4,768,741	1,788,499	-	12,865,471	51,096,582
Receivables	72,194	-	-	17,795	99,407	25,481	214,877
Sales awaiting settlement	320,218	-	-	-	-	112,957	433,175
Cash and bank balances	36,983	-	219	9,886	1,741,700	46,506	1,835,294
Total Assets	27,478,567	4,624,699	4,768,960	1,816,180	1,841,107	13,050,415	53,579,928
Liabilities							
Payables	118	-	-	-	908,298	-	908,416
Net assets attributable to unitholders	-	-	-	-	52,671,512	-	52,671,512
Total Liabilities	118	-	-	-	53,579,810	-	53,579,928
Net currency exposure	27,478,449	4,624,699	4,768,960	1,816,180	(51,738,703)	13,050,415	

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

8. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

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

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

Benchmark component	31 December 2011		30 June 2011	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
MSCI World Finance	7,858,045	20	9,810,544	20

(iii) Interest rate risk

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

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

(b) Liquidity risk

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

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

8. Financial risk management (continued)

(b) Liquidity risk (continued)

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

As at 31 December 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	309,560	-	-	-
Net assets attributable to unitholders	42,878,070	-	-	-

As at 30 June 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	908,416	-	-	-
Net assets attributable to unitholders	52,671,512	-	-	-

(c) Credit risk

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

8. Financial risk management (continued)

(c) Credit risk (continued)

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

As at 31 December 2011

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

As at 30 June 2011

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

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

(d) Capital management

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

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. Related party transactions

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

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

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

	31 December 2011	30 June 2011
	\$	\$
<u>United Overseas Bank Limited</u>		
Bank balances	38,253	59,920

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

	31 December 2011	31 December 2010
	\$	\$
Bank charges	30	30

United Global Capital Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

10. Financial ratios

	31 December 2011	31 December 2010
Expense ratio ¹	1.98%	1.97%
Turnover ratio ²	12.48%	0.61%

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

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

United Global Capital Fund
(Constituted under a Trust Deed in the Republic of Singapore)

This page has been intentionally left blank.

United Global Capital Fund
(Constituted under a Trust Deed in the Republic of Singapore)

This page has been intentionally left blank.

