



United Emerging Markets Portfolios - United Emerging Markets Bond Fund

Semi Annual Report

for the period 1st July to
31st December 2011

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

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A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth %	6 mth %	1 yr %	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 20 August 2001 Ann Comp Ret
United Emerging Markets Portfolios – United Emerging Markets Bond Fund	1.69	-0.68	2.33	11.84	5.36	8.98	9.87
Benchmark	4.13	8.23	8.65	12.08	4.30	6.77	7.36

Source: Lipper, a Thomas 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: JP Morgan EMBI Global Div Index.

For the six months to June 2011, the Fund **fell 0.68%** on a net asset value basis, underperforming the benchmark JP Morgan EMBI Global Diversified Composite index, which increased by 8.23%, in Singapore dollar terms.

We began the second half of 2011 feeling positive about Emerging Markets (EM) assets. The Fund took long positions in selected EM currencies and was overweight in high yield (HY), corporate EM bonds, as well as short duration vis-à-vis the benchmark. Despite performing well in the earlier part of 2011, this trade proved to have underperformed against the benchmark in the second half of 2012. Despite the overall benign performance of EM economies, EM risk assets, specifically corporate bonds and currencies suffered during the second of half of the year, and instead EM sovereign bonds performed strongly, in particular long duration bonds. The worsening debt crisis in the Euro zone sparked a fury to safe haven assets with EM risk asset, not being spared.

The problems in Europe, which started with the PIGS (Portugal, Ireland, Greece, Spain), quickly spiraled out of control as European policymakers reluctance to move quickly, encouraged the risk of contagion to core Europe as Italian debt yields also rose. This contagion risk was underestimated by most market participants and us, who had thought that European policy makers would move quickly to prevent such an occurrence. As the mark-to-market on the portfolio deteriorated, we unwound our local currency positions and some HY and corporate trades and instead moved into long dated sovereign bonds and cash.

As at 31 December 2011, the Fund was 30.27% in Latin America, 17.88% in Europe, 23.50% in Asia, 11.29% in the Middle East and Africa and held 17.06% cash.

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Economic and Market Review

Despite strong headwinds out of Europe, most EM economies continued to post good economic growth numbers. Many EM economies, including Brazil, China and Indonesia have eased monetary policy in order to support domestic demand and balance the negative outlook for foreign trade. Inflation has also peaked and moved lower as food prices have fallen.

The European debt crisis has had a negative impact on overall market liquidity as trading and issuance activity slowed markedly during the second half of 2011. Although, stronger credits, especially investment grade sovereigns continue to be able to tap the debt capital markets with strong demand. Market volatility peaked in September and October of 2011 before falling towards the year end.

Outlook and Strategy

While 2011 has been a tough year, we believe that we are not totally out of the woods yet. The beginning of 2012 will likely see volatility in overall financial markets, and EM specifically. There are still unresolved issues in the Euro zone, and with global growth slowing, EM growth will also slow, albeit at the faster pace.

Despite these headwinds, a few bright spots have emerged. Economic data out of the US continue to surprise on the upside with labour markets finally showing signs of life and consumer spending remaining resilient. China's inflation has also slowed markedly, which in turn paves the way for more monetary easing by Chinese policymakers.

Within EM, corporate balance sheets remain strong. Debt levels in EM economies remain manageable, with the exception of a few countries. Eastern Europe remains the weakest link with obvious trade ties with the Euro zone as well as a weaker debt profile than most other EM economies. Taking a medium term view, we believe EM debt will perform well. One key factor is the strength of most EM economies, which should see a continued convergence in credit ratings among EM and Developed Markets (DM) economies.

In terms of strategy, we ended the year 2011 with cash that we intend to deploy. Our short-term stance remains cautious, looking for opportunities to invest in both EM sovereign and corporate bonds that have suffered during the recent flight to quality. In the medium term, we believe that EM bonds offer good value – bond yields should remain stable while credit ratings can be expected to improve.

Disclosures

The Fund uses financial derivative including currency futures and interest rate futures contracts in order to manage the portfolio exposure. For example, the Fund Singapore dollar (SGD) futures, to protect investors against fluctuations in SGD currency. The Fund's global exposure to financial derivatives is calculated using Commitment Approach using netting arrangements, and has never exceeded 100% of the Fund's NAV at all times.

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

i) Country	Fair Value (S\$)	% of NAV
Argentina	1,587,248	0.86
Brazil	22,307,350	12.05
Chile	3,968,878	2.14
China	3,136,569	1.69
Colombia	2,485,832	1.34
Cyprus	4,085,786	2.21
Egypt	1,933,611	1.04
Hong Kong	609,215	0.33
Indonesia	18,861,114	10.19
Ireland	1,003,327	0.54
Kazakhstan	5,780,510	3.12
Kuwait	4,802,096	2.59
Lithuania	2,634,652	1.42
Malaysia	2,208,681	1.19
Mexico	16,171,436	8.73
Netherlands	5,056,178	2.73
Peru	5,307,081	2.87
Poland	3,958,507	2.14
Qatar	7,960,363	4.30
Russia	10,574,680	5.71
Singapore	1,840,707	0.99
South Africa	2,954,043	1.60
Sri Lanka	526,744	0.28
Supra National	1,492,981	0.81
Turkey	9,388,154	5.07
Ukraine	972,101	0.54
United Arab Emirates	3,258,849	1.76
United Kingdom	4,476,418	2.42
Uruguay	852,716	0.46
Venezuela	3,371,283	1.82
Portfolio of investments	153,567,110	82.94
Other net assets	31,589,768	17.06
Total	185,156,878	100.00

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

	Fair Value (S\$)	% of NAV
ii) Industry		
Consumer Discretionary	6,141,335	3.32
Consumer Staples	6,017,968	3.27
Energy	31,530,426	17.04
Financials	33,497,155	18.08
Government	45,321,220	24.47
Government Agency	4,523,311	2.44
Industrials	3,815,442	2.06
Materials	9,390,159	5.07
Supra National	1,492,981	0.81
Telecommunication Services	2,254,066	1.22
Unit Trust	1,840,707	0.99
Utilities	7,742,340	4.17
Portfolio of investments	153,567,110	82.94
Other net assets	31,589,768	17.06
Total	185,156,878	100.00
iii) Asset Class		
Fixed Income/Unit Trust	153,567,110	82.94
Other net assets	31,589,768	17.06
Total	185,156,878	100.00
iv) Credit rating of debt securities by S&P		
AA	6,575,903	3.55
A	13,273,504	7.17
BBB	42,052,268	22.68
BB	36,772,454	19.86
B	18,575,043	10.03
NR	36,317,938	19.65
Total	153,567,110	82.94
iv) Credit rating of debt securities by Moody's		
Aa	7,250,966	3.92
A	17,787,829	9.60
Baa	50,863,354	27.46
Ba	38,295,736	20.68
B	13,530,441	7.30
NR	25,838,784	13.98
Total	153,567,110	82.94

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C) Top Ten Holdings

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

10 largest holdings at 31 December 2011

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
REP OF TURKEY 7.25% DUE 05/03/2038	5,800,492	3.13
KAZMUNAYGAS NATIONAL 6.375% DUE 09/04/2021	4,672,249	2.52
BUMI CAPITAL PTE LTD 12% DUE 10/11/2016	4,261,311	2.30
MRIYA AGRO HOLDING PLC 10.95% DUE 30/03/2016	4,085,786	2.21
STATE OF QATAR 6.40% DUE 20/01/2040	3,885,484	2.10
FED REPUBLIC OF BRAZIL 5.625% DUE 07/01/41	3,848,417	2.08
OGX PETROLEO E GAS PARTI 8.5% DUE 1/6/2018	3,837,176	2.07
GRUPO ELEKTRA SA DE CV 7.25% DUE 06/8/2018	3,719,163	2.01
PT PERTAMINA 6.50% DUE 27/05/2041	3,383,605	1.83
KUWAIT PROJECTS CO 9.375% DUE 15/07/2020	2,807,297	1.51

10 largest holdings at 31 December 2010

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MEX BONOS DESARR FIX RT 8% DUE 07/12/2023	3,912,806	4.16
BUMI CAPITAL PTE LTD 12% DUE 10/11/2016	3,796,866	4.04
ING BANK NV 13.75% DUE 24/06/2014	3,500,330	3.72
KUWAIT PROJECTS CO 9.375% DUE 15/07/2020	2,859,532	3.04
TURKEY GOVERNMENT BOND 10.50% DUE 15/01/2020	2,682,404	2.85
AVANGARDCO INVESTMENTS 10% DUE 29/10/2015	2,674,514	2.84
BURGAN FINANCE NO.1 LTD 7.875% DUE 29/09/20	2,635,104	2.80
DUBAI ELECTRICITY & WATER 7.375% DUE 21/10/2020	2,560,646	2.72
KAZMUNAIGAZ FINANCE SUB 9.125% DUE 02/07/2018	2,315,359	2.46
RUSSIA 12.75% DUE 24/06/2028	2,232,203	2.37

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D) Exposure to derivatives

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

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	33,969,911	149,070	0.08	271,443	0.15
Credit Default Swap	6,483,250	703,338	0.38	-	-

ii) There was a net loss of SGD 3,393,753 on derivative contracts realised for the financial period ended 31 December 2011.

iii) There was a net gain of SGD 580,102 on outstanding derivative contracts marked to market as at 31 December 2011.

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

	Fair Value (S\$)	% of NAV
UNITED RENMINBI BOND FUND (USD)	1,840,707	0.99

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 32,342,574
Total amount of subscriptions	SGD 100,297,604

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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 accounts with the United Overseas Bank Limited as follows:

Bank balances	SGD	13,795
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- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2011

Affiliated Companies	No. of Units	Unit Price SGD	Market Value SGD
a) United International Securities Limited	3,611,915.78	1.393	5,031,398.68

- 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.

I) Expense ratios

31 December 2011	2.14%
31 December 2010	2.08%

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	38.62%
31 December 2010	101.29%

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

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

N/A

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

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

N/A

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

N/A

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

N/A

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.

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STATEMENT OF TOTAL RETURN

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

		31 December 2011 \$	31 December 2010 \$
Income			
Interest		430	118
		430	118
Less: Expenses			
Management fee	11	1,325,316	632,706
Trustee fee	11	30,495	18,077
Audit fee		7,821	7,503
Registrar fee	11	12,484	12,620
Valuation fee	11	60,991	28,924
Custody fee		27,729	18,242
Interest expenses		203	897
Other expenses		161,802	37,671
		1,626,841	756,640
Net loss		(1,626,411)	(756,522)
Net gains on value of investments			
Net realised gain on investments		2,137,669	2,100,620
Net change in fair value on investments		1,998,342	(2,087,835)
Net realised (loss)/gain on financials derivative		(3,393,753)	1,269,340
Net change in fair value on financial derivatives		580,102	572,399
Net foreign exchange (loss)/gain		(1,087,746)	15,834
Net gain on value of investments		234,614	1,870,358
Total (deficit)/return for the period before income tax		(1,391,797)	1,113,836
Less : Income tax	3	(20,025)	(6,880)
Total (deficit)/return for the period before distribution		(1,411,822)	1,106,956
Less : Distribution	9	(3,985,034)	(1,473,943)
Total deficit for the period		(5,396,856)	(366,987)

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

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BALANCE SHEET

As at 31 December 2011 (Un-audited)

		31 December 2011 \$	30 June 2011 \$
	Note		
ASSETS			
Portfolio of investments		153,567,110	111,300,678
Sales awaiting settlement		83,943	1,732,187
Receivables	4	4,609,023	4,980,892
Cash and bank balances		28,950,595	8,168,291
Margin Deposits		165,691	43,868
Financial derivatives at fair value	6	852,408	484,913
Total Assets		188,228,770	126,710,829
LIABILITIES			
Purchases awaiting settlement		-	2,227,600
Payables	5	2,023,816	1,363,173
Proposed distribution	9	776,633	513,783
Financial derivatives at fair value	6	271,443	7,569
Net assets attributable to unitholders	7	185,156,878	122,598,704
Total Liabilities		188,228,770	126,710,829

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PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Nominal 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 Bonds and Unit Trust			
ARGENTINA			
ARCOS DORADOS HOLDINGS I 10.25% DUE 13/7/16	500,000	359,257	0.20
REP OF ARGENTINA 8.75% DUE 02/06/2017	1,000,000	1,227,991	0.66
TOTAL ARGENTINA		1,587,248	0.86
BRAZIL			
BANCO DO BRASIL (CAYMAN) 8.50% DUE 29/10/49	1,500,000	2,290,080	1.24
BANCO SAFRA SA 10.25% DUE 08/08/2016	3,000,000	2,128,040	1.15
BR MALLS INTL FINANCE 8.50% DUE 29/01/2049	2,000,000	2,701,305	1.46
FED REPUBLIC OF BRAZIL 5.625% DUE 07/01/41	2,500,000	3,848,417	2.08
GENERAL SHOPPING FINANCE 10% DUE 29/11/49	1,200,000	1,563,518	0.84
ODEBRECHT DRILL VIII/IX 6.35% DUE 30/06/2021	1,500,000	1,995,253	1.08
OGX PETROLEO E GAS PARTI 8.5% DUE 01/06/2018	3,000,000	3,837,176	2.07
PETROBRAS INTL FIN CO 5.875% DUE 07/03/2022	800,000	1,359,688	0.73
QGOG ATLANTIC/ALASKAN RI 5.25% DUE 30/07/18	2,000,000	2,583,873	1.40
TOTAL BRAZIL		22,307,350	12.05
CHILE			
CODELCO INC 3.75% DUE 04/11/2020	1,000,000	1,318,314	0.71
CODELCO INC 3.875% DUE 03/11/2021	1,000,000	1,323,806	0.71
EMPRESA NACIONAL DE PETR 4.75% DUE 06/12/21	500,000	651,695	0.35
REP OF CHILE 3.25% DUE 14/9/2021	500,000	675,063	0.37
TOTAL CHILE		3,968,878	2.14
CHINA			
COUNTRY GARDEN HLDG CO 11.25% DUE 22/04/2017	500,000	580,466	0.31
ENN ENERGY HOLDINGS LTD 6% DUE 13/05/2021	1,200,000	1,397,908	0.75
MIE HOLDINGS CORP 9.75% DUE 12/05/2016	1,000,000	1,158,195	0.63
TOTAL CHINA		3,136,569	1.69

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	Nominal 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 Bonds and Unit Trust			
COLOMBIA			
ECOPETROL SA 7.625% DUE 23/07/2019	400,000	646,403	0.35
REP OF COLOMBIA 7.375% DUE 18/09/2037	1,000,000	1,839,429	0.99
TOTAL COLOMBIA		2,485,832	1.34
CYPRUS			
MRIYA AGRO HOLDING PLC 10.95% DUE 30/03/2016	3,500,000	4,085,786	2.21
EGYPT			
AFRICAN EXPORT-IMPORT BK 5.75% DUE 27/0720/16	1,500,000	1,933,611	1.04
HONG KONG			
SINOCHEM OVERSEAS CAPITA 6.3% DUE 12/11/40	500,000	609,215	0.33
INDONESIA			
AEROSPACE SATELLITE COR 12.75% DUE 16/11/15	1,700,000	2,062,915	1.11
BUMI CAPITAL PTE LTD 12% DUE 10/11/2016	3,200,000	4,261,311	2.30
BUMI INVESTMENT PTE LTD 10.75% DUE 06/10/17	500,000	664,469	0.36
INDONESIA GOVT 10.5% DUE 15/07/2038	7,000,000,000	1,409,625	0.77
MAJAPAHIT HOLDING BV 7.875% DUE 29/6/2037	1,800,000	2,722,287	1.47
PERUSAHAAN LISTRIK NEG 5.50% DUE 22/11/2021	900,000	1,188,689	0.64
PERUSAHAAN PENERBIT SBSN 4% DUE 21/11/2018	800,000	1,041,588	0.56
PT PERTAMINA 6.50% DUE 27/05/2041	2,500,000	3,383,605	1.83
REP OF INDONESIA 10% DUE 15/09/2024	7,000,000,000	1,315,707	0.71
REP OF INDONESIA 9.50% DUE 15/06/2015	5,000,000,000	810,918	0.44
TOTAL INDONESIA		18,861,114	10.19

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By Geography – Primary (continued)			
Quoted Bonds and Unit Trust			
IRELAND			
VEB-LEASING (VEB) 5.125% DUE 27/05/2016	800,000	1,003,327	0.54
KAZAKHASTAN			
KAZMUNAYGAS NATIONAL 7% DUE 05/05/2020	800,000	1,108,261	0.60
KAZMUNAYGAS NATIONAL 6.375% DUE 09/04/2021	3,500,000	4,672,249	2.52
TOTAL KAZAKHASTAN		5,780,510	3.12
KUWAIT			
BURGAN FINANCE NO.1 LTD 7.875% DUE 29/09/2020	1,400,000	1,994,799	1.08
KUWAIT PROJECTS CO 9.375% DUE 15/07/2020	2,000,000	2,807,297	1.51
TOTAL KUWAIT		4,802,096	2.59
LITHUANIA			
REPUBLIC OF LITHUANIA 6.125% DUE 09/03/2021	2,000,000	2,634,652	1.42
MALAYSIA			
TENAGA NASIONAL 7.50% DUE 01/11/2025	500,000	804,053	0.43
WAKALA GLOBAL SUKUK BHD 4.646% DUE 06/07/2021	1,000,000	1,404,628	0.76
TOTAL MALAYSIA		2,208,681	1.19
MEXICO			
EMPRESAS ICA SOCIEDAD 8.90% DUE 04/02/2021	1,500,000	1,820,189	0.98
GRUPO ELEKTRA SA DE CV 7.25% DUE 06/8/2018	2,900,000	3,719,163	2.01
IXE BANCO/INST BANC MULT 9.25% DUE 14/10/20	1,500,000	2,184,955	1.18
MEX BONOS DESARR FIX RT 8% DUE 07/12/2023	150,000	1,579,323	0.85
PETROLEOS MEXICANOS 7.65% DUE 24/11/2021	200,000	1,842,620	1.00
PETROLEOS MEXICANOS 6.5% DUE 02/06/2041	1,000,000	1,464,678	0.79
PETROLEOS MEXICANOS 6% DUE 05/03/2020	1,000,000	1,477,510	0.80
UNITED MEXICAN STATES 5.75% DUE 12/10/2110	1,500,000	2,082,998	1.12
TOTAL MEXICO		16,171,436	8.73

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Nominal 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 Bonds and Unit Trust			
NETHERLANDS			
KAZAKHSTAN TEMIR ZHOLY 6.375% DUE 06/10/20	800,000	1,139,706	0.61
METINVEST BV 8.75% DUE 14/02/2018	1,500,000	1,662,406	0.90
VIMPELCOM HLDGS 7.5043% DUE 01/03/2022	2,000,000	2,254,066	1.22
TOTAL NETHERLANDS		5,056,178	2.73
PERU			
BANCO CREDITO DEL PERU 9.75% DUE 06/11/2069	800,000	1,186,545	0.64
BANCO INTERNAC DEL PERU 8.50% DUE 23/04/2070	750,000	995,298	0.54
CORP PESQUERA INCA SAC 9% DUE 10/02/2017	700,000	960,081	0.52
REPUBLIC OF PERU 6.55% DUE 14/03/2037	1,300,000	2,165,157	1.17
TOTAL PERU		5,307,081	2.87
POLAND			
REPUBLIC OF POLAND 5.125% DUE 21/04/2021	1,000,000	1,332,263	0.72
REPUBLIC OF POLAND 5% DUE 23/03/2022	2,000,000	2,626,244	1.42
TOTAL POLAND		3,958,507	2.14
QATAR			
NAKILAT INCORPORATION FRN DUE 31/12/2033	1,000,000	1,384,460	0.75
STATE OF QATAR 6.40% DUE 20/01/2040	2,500,000	3,885,484	2.10
STATE OF QATAR 4.50% DUE 20/01/2022	2,000,000	2,690,419	1.45
TOTAL QATAR		7,960,363	4.30

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(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Nominal 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 Bonds and Unit Trust			
RUSSIA			
ALFA BANK (ALFA BOND) 7.875% DUE 25/09/2017	1,200,000	1,502,376	0.81
HOME CREDIT AND FINANCE 7.0% DUE 18/03/2014	950,000	1,238,023	0.66
NOVATEK FINANCE LTD 6.604% DUE 03/02/2021	1,000,000	1,352,172	0.73
OJSC RUSS AGRIC BK (RSHB) 6% DUE 03/06/2021	1,000,000	1,140,490	0.62
RUSSIA 12.75% DUE 24/06/2028	1,000,000	2,212,625	1.20
SB CAPITAL SA 5.717% DUE 16/6/2021	2,000,000	2,486,436	1.34
TRANSCAPITAL INVESTMENT LIMITED 8.7% DUE 07/08/2018	400,000	642,558	0.35
TOTAL RUSSIA		10,574,680	5.71
SINGAPORE			
UNITED RENMINBI BOND FUND (USD)	1,488,036	1,840,707	0.99
SOUTH AFRICA			
AFRICAN BANK LIMITED 6.0% DUE 15/06/2016	800,000	977,505	0.53
ESKOM HOLDINGS LIMITED 5.75% DUE 26/01/2021	500,000	683,397	0.37
FIRSTRAND BANK LTD 4.375% DUE 09/06/2016	1,000,000	1,293,141	0.70
TOTAL SOUTH AFRICA		2,954,043	1.60
SRI LANKA			
REP OF SRI LANKA 6.25% DUE 27/07/2021	400,000	526,744	0.28
SUPRA NATIONAL			
EUROPEAN BK RECON & DEV 9% DUE 28/04/2014	2,000,000	1,492,981	0.81
TURKEY			
AKBANK TAS 6.50% DUE 09/03/2018	1,400,000	1,860,497	1.01
REP OF TURKEY 5.125% DUE 25/03/2022	800,000	1,000,387	0.54
REP OF TURKEY 7.25% DUE 05/03/2038	4,000,000	5,800,492	3.13
TURKEY GOVERNMENT BOND 16% DUE 07/03/2012	1,000,000	726,778	0.39
TOTAL TURKEY		9,388,154	5.07

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 31 December 2011 (Un-audited)

	Nominal 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 Bonds and Unit Trust			
UKRAINE			
AVANGARDCO INVESTMENTS 10% DUE 29/10/2015	1,000,000	972,101	0.54
UNITED ARAB EMIRATES			
FGB SUKUK COMPANY LTD 3.797% DUE 02/08/2016	1,200,000	1,629,446	0.88
TAQA ABU DHABI NATL EN5.875% DUE 13/12/2021	1,200,000	1,629,403	0.88
TOTAL UNITED ARAB EMIRATES		3,258,849	1.76
UNITED KINGDOM			
FERREXPO FINANCE PLC 7.875% DUE 07/04/2016	1,500,000	1,712,755	0.93
VEDANTA RESOURCES PLC 8.25% DUE 07/06/2021	2,750,000	2,763,663	1.49
TOTAL UNITED KINGDOM		4,476,418	2.42
URUGUAY			
REPUBLICA ORIENT URUGUAY 6.875% DUE 28/9/25	500,000	852,716	0.46
VENEZUELA			
PETROLEOS DE VENEZUELA 5.50% DUE 12/4/37	2,500,000	837,858	0.45
PETROLEOS DE VENEZUELA 5.25% DUE 12/04/2017	1,000,000	1,585,250	0.86
REPUBLIC OF VENEZUELA 9.375% DUE 13/1/2034	1,000,000	948,175	0.51
TOTAL VENEZUELA		3,371,283	1.82
Portfolio of investments		153,567,110	82.94
Other net assets		31,589,768	17.06
Net assets attributable to unitholders		185,156,878	100.00

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

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 Bonds and Unit Trust		
Argentina	0.86	3.02
Brazil	12.05	14.81
Chile	2.14	1.72
China	1.69	2.97
Colombia	1.34	1.00
Cyprus	2.21	4.03
Egypt	1.04	0.51
Hong Kong	0.33	-
Indonesia	10.19	8.92
Ireland	0.54	1.86
Kazakhstan	3.12	3.43
Kuwait	2.59	3.82
Lithuania	1.42	0.54
Luxembourg	-	3.42
Malaysia	1.19	1.00
Mexico	8.73	7.62
Netherlands	2.73	6.56
Peru	2.87	2.43
Poland	2.14	-
Qatar	4.30	-
Russia	5.71	9.16
Singapore	0.99	2.26
South Africa	1.60	1.40
Sri Lanka	0.28	-
Supra National	0.81	1.31
Turkey	5.07	3.15
Ukraine	0.54	1.94
United Arab Emirates	1.76	-
United Kingdom	2.42	3.93
Uruguay	0.46	-
Venezuela	1.82	-
Portfolio of investments	82.94	90.81
Other net assets	17.06	9.19
Net assets attributable to unitholders	100.00	100.00

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

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(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 Bonds and Unit Trust			
Consumer Discretionary	6,141,335	3.32	2.44
Consumer Staples	6,017,968	3.27	8.31
Energy	31,530,426	17.04	16.86
Financials	33,497,155	18.08	31.06
Government	45,321,220	24.47	12.55
Government Agency	4,523,311	2.44	0.80
Industrials	3,815,442	2.06	5.46
Materials	9,390,159	5.07	4.90
Supra National	1,492,981	0.81	1.31
Telecommunication Services	2,254,066	1.22	1.96
Unit Trust	1,840,707	0.99	1.48
Utilities	7,742,340	4.17	3.68
Portfolio of investments	153,567,110	82.94	90.81
Other net assets	31,589,768	17.06	9.19
Net assets attributable to unitholders	185,156,878	100.00	100.00

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

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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(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 Emerging Markets Portfolios (the “Portfolio”) is a Singapore registered umbrella fund, currently offering one sub-fund namely United Emerging Markets Bond Fund (the “Fund”) which is denominated in Singapore Dollars. It is constituted by a Trust Deed between UOB Asset Management Ltd (the “Manager”) and RBC Dexia Trust Services Singapore Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The fund changed its name from United Global Emerging Markets (GEMs) Portfolios to United Emerging Markets Portfolios and Sub-Fund changed its name from United GEMs Investments (S\$) to United Emerging Markets Bond Fund with effect from 22 September 2011.

With effect from 1 March 2011, RBC Dexia Trust Services Singapore Limited retired as the Trustee of the Fund and the new Trustee is HSBC Institutional Trust Services (Singapore) Limited.

The Fund’s investment objective is to maximise returns, with high yield and capital appreciation over the longer term in emerging markets debt investments and products.

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

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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)

(ii) *Subsequent measurement*

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

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the 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. Accrued interest is incorporated in the fair value fixed income instruments.

(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 the Singapore dollars to be 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.

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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)

(f) Financial derivatives

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

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

(g) Expenses charged to the Fund

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

(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 Fund.

3. Income tax

	31 December 2011	31 December 2010
	\$	\$
Overseas income tax	20,025	6,880

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.

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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)

4. Receivables

	31 December 2011	30 June 2011
	\$	\$
Amounts receivable for creation of units	4,604,451	4,962,968
Interest receivable	-	9,562
Other receivable	4,572	8,362
	4,609,023	4,980,892

5. Payables

	31 December 2011	30 June 2011
	\$	\$
Amounts payable for cancellation of units	617,326	413,891
Amount due to Manager	1,375,943	916,467
Amount due to Trustee	16,492	10,966
Other creditors and accrued expenses	14,055	21,849
	2,023,816	1,363,173

6. 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.

	31 December 2011		
	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$
Forward foreign exchange contracts	33,969,911	149,070	271,443
Credit Default Swap	6,483,250	703,338	-
		852,408	271,443

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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)

6. Fair value of financial derivatives (continued)

		30 June 2011	
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
Forward foreign exchange contracts	66,928,348	484,050	7,569
Future exchange contracts	1,502,180	863	-
		484,913	7,569

7. Net assets attributable to unitholders

	31 December 2011 \$	30 June 2011 \$
At the beginning of the financial period/year	122,598,704	50,137,379
Operations		
Change in net assets attributable to unitholders resulting from operations	(5,396,856)	584,123
Unitholders' contributions/(withdrawals)		
Creation of units	100,297,604	108,391,028
Cancellation of units	(32,342,574)	(36,513,826)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	67,955,030	71,877,202
Total increase in net assets attributable to unitholders	62,558,174	72,461,325
At the end of the financial period/year	185,156,878	122,598,704
Units in issue (Note 8)	133,801,578	85,755,505
	\$	\$
Net assets attributable to unitholders per unit	1.38	1.43

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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. Units in issue

	31 December 2011	30 June 2011
Units at beginning of the period/year	85,755,505	35,949,276
Units created	70,881,185	75,220,489
Units cancelled	(22,835,112)	(25,414,260)
Units at end of the period/year	133,801,578	85,755,505

9. Distribution to unitholders

	31 December 2011	30 June 2011
	\$	\$
Distribution paid during the period/year at 5% (30 June 2011: 5%)	3,208,401	3,624,420
Proposed distribution at 5% (30 June 2011: 5%) of pre-distribution pricing	776,633	513,783
	3,985,034	4,138,203

10. 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 fixed interest 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.

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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(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 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 Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

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

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(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 risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2011

	SGD \$	USD \$	Others \$	Total \$
Assets				
Portfolio of investments	-	140,542,173	13,024,937	153,567,110
Receivables	4,445,290	163,733	-	4,609,023
Cash and bank balances	13,596,433	15,334,061	20,101	28,950,595
Sales awaiting settlement	-	83,943	-	83,943
Margin Deposits	-	165,691	-	165,691
Financial derivatives at fair value	-	703,338	-	703,338
Total Assets	18,041,723	156,992,939	13,045,038	188,079,700
Liabilities				
Payables	1,999,536	24,280	-	2,023,816
Proposed distribution	652,332	124,301	-	776,633
Net assets attributable to unitholders	185,156,878	-	-	185,156,878
Total Liabilities	187,808,746	148,581	-	187,957,327
Forward foreign exchange contracts (notional value)	32,259,500	(30,697,436)	(1,684,437)	
Net currency exposure	(137,507,523)	126,146,922	11,360,601	

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2011

	SGD \$	USD \$	Others \$	Total \$
Assets				
Portfolio of investments	959,080	92,569,875	17,771,723	111,300,678
Receivables	4,059,014	921,878	-	4,980,892
Cash and bank balances	5,307,300	2,840,868	20,123	8,168,291
Sales awaiting settlement	-	-	1,732,187	1,732,187
Margin Deposits	-	43,868	-	43,868
Total Assets	10,325,394	96,376,489	19,524,033	126,225,916
Liabilities				
Purchases awaiting settlement	1,000,000	1,227,600	-	2,227,600
Payables	974,033	389,140	-	1,363,173
Proposed distribution	406,559	107,224	-	513,783
Net assets attributable to unitholders	122,598,704	-	-	122,598,704
Total Liabilities	124,979,296	1,723,964	-	126,703,260
Future contracts	-	863	-	
Forward foreign exchange contracts (notional value)	61,157,620	(65,666,050)	4,984,911	
Net currency exposure	(53,496,282)	28,987,338	24,508,944	

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Investments, which is the significant item in the balance sheet is exposed to currency risk and interest rate risk. Currency risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Fund's monetary assets and liabilities to changes in foreign exchange movements as at 31 December 2011 and 30 June 2011. The analysis is based on the assumptions that the functional currency increased / decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

Currency	31 December 2011		30 June 2011	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
USD	8,830,285	7	1,739,240	6

(ii) 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 Fund holds interest bearing securities that expose the Fund to fair value interest rate risk. The Fund holds securities of varying maturities and interest rate sensitivities. Movement in market interest rates will affect the valuation of the Fund's securities by varying degrees. The Fund's policy requires the Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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(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 risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

As at 31 December 2011

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	- 151,726,403		1,840,707	153,567,110
Sales awaiting settlement	-	-	83,943	83,943
Receivables	-	-	4,609,023	4,609,023
Cash and bank balances	28,950,595	-	-	28,950,595
Margin Deposits	165,691	-	-	165,691
Financial derivatives at fair value	-	-	852,408	852,408
Total Assets	29,116,286	151,726,403	7,386,081	188,228,770
Liabilities				
Payables	-	-	2,023,816	2,023,816
Proposed distribution	-	-	776,633	776,633
Financial derivatives at fair value	-	-	271,443	271,443
Net assets attributable to unitholders	-	-	185,156,878	185,156,878
Total Liabilities	-	-	188,228,770	188,228,770

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

As at 30 June 2011

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	1,065,121	108,421,631	1,813,926	111,300,678
Sales awaiting settlement	-	-	1,732,187	1,732,187
Receivables	-	-	4,980,892	4,980,892
Cash and bank balances	8,168,291	-	-	8,168,291
Margin Deposits	43,868	-	-	43,868
Financial derivatives at fair value	-	-	484,913	484,913
Total Assets	9,277,280	108,421,631	9,011,918	126,710,829
Liabilities				
Purchases awaiting settlement	-	-	2,227,600	2,227,600
Payables	-	-	1,363,173	1,363,173
Proposed distribution	-	-	513,783	513,783
Financial derivatives at fair value	-	-	7,569	7,569
Net assets attributable to unitholders	-	-	122,598,704	122,598,704
Total Liabilities	-	-	126,710,829	126,710,829

As at 31 December 2011 and 30 June 2011, 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:

Currency	31 December 2011		30 June 2011	
	Net impact to net assets attributable to unitholders \$	%	Net impact to net assets attributable to unitholders \$	%
USD	10,147,145	1	10,256,742	2

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

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(b) Liquidity risk

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

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

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 Fund's 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.

As at 31 December 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	2,023,816	-	-	-
Proposed distribution	776,633	-	-	-
Derivative financial instruments				
- inflows	19,173,400	-	-	-
- outflows	(19,444,843)	-	-	-
Net assets attributable to unitholders	185,156,878	-	-	-

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(b) Liquidity risk (continued)

As at 30 June 2011

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Purchases awaiting settlement	2,227,600	-	-	-
Payables	1,363,173	-	-	-
Proposed distribution	513,783	-	-	-
Derivative financial instruments				
- inflows	1,223,065	-	-	-
- outflows	(1,230,634)	-	-	-
Net assets attributable to unitholders	122,598,704	-	-	-

(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.

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(c) Credit risk (continued)

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

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

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

As at 31 December 2011

	A1	A2	A3	Aa2	Baa1
Debt securities					
Fixed rate securities	2%	4%	4%	4%	11%
<hr/>					
	Baa2	Baa3	Ba1	Ba2	Ba3
Debt securities					
Fixed rate securities	5%	11%	9%	6%	6%
<hr/>					
		B1	B2	B3	Non rated
Debt securities					
Fixed rate securities		3%	3%	1%	14%
<hr/>					
As at 30 June 2011					
	A2	A3	Baa1	Baa3	Ba1
Debt securities					
Fixed rate securities	2%	5%	11%	9%	5%
<hr/>					
	Ba2	Ba3	B1	B2	B3
Debt securities					
Fixed rate securities	8%	11%	5%	8%	3%
<hr/>					
					Non rated
Debt securities					
Fixed rate securities					23%
<hr/>					

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 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 summarises the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2011 and 30 June 2011.

As at 31 December 2011

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
Citibank NA	C-	Moody's
HSBC Group	B+	Moody's
United Overseas Bank Limited	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
<u>Counterparties of forward foreign exchange contracts</u>		
Citibank NA	C-	Moody's
HSBC Group	B+	Moody's
United Overseas Bank Limited	B	Moody's

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

The Fund uses credit default swap for the purpose of hedging existing positions in the portfolio and efficient portfolio management.

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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 risk management (continued)

(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.

11. Related party transactions

- (a) The Manager of the Fund is UOB Asset Management Ltd, a subsidiary of United Overseas Bank Limited. With effect from 1 March 2011, RBC Dexia Trust Services Singapore Limited retired as the Trustee of the Fund and the new Trustee is HSBC Institutional Trust Services (Singapore) Limited. RBC Dexia Trust Services Singapore Limited is a subsidiary of RBC Investor Services, a joint venture between Dexia Banque Internationale A. Luxembourg S.A. and Royal Bank Of Canada. 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	13,795	34,585

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

	31 December 2011	31 December 2010
	\$	\$
Bank charges	75	50

United Emerging Markets Portfolios - United Emerging Markets Bond Fund

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(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)

12. Financial ratios

	31 December 2011	31 December 2010
Expense ratio ¹	2.14%	2.08%
Turnover ratio ²	38.62%	101.29%

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

(Formerly known as United Global Emerging Markets (GEMs) Portfolios - United GEMs Investments (S\$))
(Constituted under a Trust Deed in the Republic of Singapore)

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**United Emerging Markets Portfolios -
United Emerging Markets Bond Fund**

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

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**United Emerging Markets Portfolios -
United Emerging Markets Bond Fund**

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

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