United Global Telecoms Fund

Semi Annual Report

for the period 1st January to 30th June 2009

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大華資產管理

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A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 16 August 1999 Ann Comp Ret
United Global Telecoms Fund	6.82	-0.31	-17.05	-4.29	-0.49	NA	-3.89
Benchmark	7.27	0.12	-18.21	-2.16	0.80	NA	-5.37

Source: Lipper, a Thomson Reuters Company

Note: The performance returns of the Fund are in Singapore dollars based on a NAV-to-NAV basis with net dividends reinvested. The benchmark of the Fund: MSCI ACWI Telecoms.

For the half year ended 30 June 2009, the Fund **declined 0.31%** on a net asset value basis against a rise of 0.12% by the benchmark MSCI Global Telecom Index (in Singapore dollar terms). We stand steadfast in our core strategy of investing in the dominant telecom companies on both the Developed and Emerging Markets. Key contributors to the Fund included **Mobile Telesystems** (+39.4%), **America Movil** (+26%), **PT Telkom** (+19.4%) and **Bharti Airtel** (+14.6%). The detractors to the Fund were the large cap, defensive, integrated telcos: **AT&T** (-12.8%), **Rogers Communications** (-18.3%), **Deutsche Telekom**, (-22.1%), and **France Telecom** (-19%).

Global equity markets continued their decline in the first months of the period under review, hitting a low on 9 March. During this period, Telecom Services outperformed the broader market due to the defensive nature of the sector. However, during the robust rally of global equities from 9 March to 30 June, Telecom Services lagged badly as investors shifted money out of defensive sectors like Telecoms into cyclical sectors and small cap stocks. Within the Telecom sector itself, the stocks that had declined the most in 2008 also had the strongest rebound during the period under review.

Our key holdings in the first six months of 2009 were AT&T, Verizon, Telefonica, Vodafone, America Movil, China Mobile and Bharti Airtel.

AT&T (-12.8%) returned to their pre-3G iPhone wireless margins reversing the sharp declines of the previous two quarters. Revenues from the iPhone subscriber base can now offset the compression in margins due to upfront subsidies. 3G iPhone activations totaled 1.6m in the first half of 2009, one million of which were existing AT&T subscribers and 600,000 of which were new subscribers. Even without iPhone exclusivity, **Verizon** (-9.4%) still managed to beat AT&T on all major wireless matrices. Verizon had 1.3 million net new subscribers (versus AT&T's 1.2 million) during the period under review, almost all of whom were post-paid, leading to 46% EBITDA (Earnings before interest, tax and depreciation) margins for its mobile business. For **Telefonica** (+1.7%), the Spanish incumbent, its diversification into European mobile and Latin America markets has meant that only 35% of group revenues are now exposed to the Spanish market. The weakness in its home market was offset by strong subscriber and revenue growth in Brazil and also by stringent cost controls. **Vodafone** (-15.7%) continued to suffered headwinds which are not easy to overcome, like weak voice price elasticity in Europe. There is also the need to turn around its Turkish and Spanish operations. The company did however provide relief by meeting its November targets. For **America Movil**, in a period where GDP in Mexico and Brazil was shrinking, there was still strong subscriber and revenue growth on the back of increasing data usage and the migration of pre-paid subscribers over to post-paid. **China Mobile** (-0.3%) has continued to deal with the burden of championing the domestic TD-SCDMA 3G standard which has seen an upward revision in capex spending. This is coupled with slowing top line growth due to tariff cuts accompanying its foray into the rural regions, slowing subscriber growth and negative price elasticity. **Bharti Airtel** dumbfounded investors by resuming its merger talks with the African incumbent, MTN, a deal which has questionable synergies and may distract Bharti from its domestic focus where are more than enough issues - growth, competitive and regulatory - to keep it occupied.

The Fund took advantage of short term price weaknesses to add to our positions in the above mentioned stocks. We believe that the above mentioned operators have the scale, operational dominance and financial muscle to see through the current tough economic environment, and to work around un-favourable regulation over the longer term.

As at end June 2009, the Fund was positioned 28.24% in the US & Canada, 30.73% in Western Europe, 24.31% in Asia, 8.51% in Latin America, 2.76% in EMEA (Eastern Europe, Middle East & Africa) and 1.43% in Japan. There was 4.02% cash at the end of the period.

We are currently wholly focused on the Telecom Services sector. We will look for opportunities to re-enter into the Communications Technology space. Note that these companies sell products very much dependent on discretionary purchases and that communications technology is not part of the Telecoms Services benchmark index.

Market and Portfolio Review

The US, European and Asian telecom sectors all underperformed their respective broader indices for the period under review. Asian telcos underperformed the broader market by 29.5%, European telcos by 13% and US telcos by 6.5%.

The **US** Telecom Services sector has proven to be recession resistant, but not recession-proof. The impact of the economic downturn can be seen in the 58% year-on-year decline in the national post-paid net additions to the subscriber base in the first quarter of 2009. Net new subscribers at AT&T and Verizon were offset by subscribers losses at Sprint Nextel. The strong take-up of smart phones (such as the iPhone) however saw national data ARPU (Average Revenue Per User) rising 25% year-on-year, data ARPU now comprises 27% of total service revenue. With US consumers tightening their belts, a large number of subscribers traded down to pre-paid subscription plans. There were 2.2 million net additions to pre-paid subscriptions compared to the 754,000 post-paid net additions during the period. We have added a small position in **MetroPCS**, a low cost wireless carrier, which stands to benefit from this trend of consumers trading down. Our core holdings in the US remain **AT&T** and **Verizon**. Both are at multi-year low price-earnings multiples and have 6% dividend yields. We believe continued (albeit slowing) revenue growth and cutbacks in capex will support earnings growth and so continue to hold both stocks.

For the **European** telecom sector, there is a common trend of incumbents (like Telefonica, KPN and France Telecom) missing top line estimates but still meeting profitability and cash flow targets on the back of operational expense controls and capex cuts. Incumbents have now clearly shifted their focus from top line growth to cash generation, and have provided investor relief by re-iterating their FY09/10 targets and sticking to their dividend payments. Mobile service revenues have slipped into negative territory for the first time ever, declining 0.8% year-on-year in the first quarter due to weak price elasticity for voice services. An 11% price cut was only met with subdued 6% usage growth. Also, data revenue growth halved from 14% in the last quarter of 2008 to 7% in the first quarter of 2009 and so was not enough to offset the decline in voice revenue. We continue to favour the integrated European incumbents like **Telefonica**, **KPN** and **France Telecom** for their diversification benefits: having both fixed and mobile arms, and also overseas divisions. These companies also enjoy scale, strong balance sheets and generate cash. We are less positive on **Vodafone** which is mostly exposed to a difficult wireless operating environment.

The strong growth in terms of subscribers and revenues for the **Asian** telecom sector that we witnessed in the 2006-07 period has faded for now. Mobile subscribers in the Emerging Markets spend a larger percentage of disposable income on communications. The global macro-economic slowdown has led to cutbacks in voice usage and a lengthening of the handset replacement cycle. In addition, some Asian telcos have seen a depreciation of their local currencies relative to the US dollar, which increases expenses for them since their equipment costs and debt are denominated in US dollars. As mobile penetration in the urban centres is reaching maturity, Asian telcos have to grow revenues (at the expense of profitability) by adding less profitable rural subscribers to their networks. In addition to lower usage and lower ARPUs, competitive and regulatory pressures are also heating up across the two main growth markets of India and China. We continue to favour the best managed operator in each of the major countries - **Bharti Airtel**, **China Mobile** and **PT Telkom** - as they have the scale and financial resources to ride out the tough months ahead.

Outlook and Strategy

Although global stock markets have enjoyed a strong rally on optimism that the worst is over, actual macro-economic data is likely to remain weak for some time. Given that telecom earnings are by and large still defensive, telcos are likely to be impacted less materially by the global slowdown. This predictability of earnings and the consistency of cash flow mean that the Telecom sector will offer a safe haven. Telecom valuations are furthermore at a historical low, with the dividend yields for some telcos even exceeding their bond yields.

Issues for the sector in 2009:

Emerging Market telcos: Higher food prices in the Emerging Markets is resulting in the decline in the frequency of pre-paid mobile top-ups and handset replacement, which will continue to hurt telco revenue growth and margins. We will also assess the competitive landscape as new licences and/or spectrum are issued and as financially stronger parents and larger international telcos take controlling stakes in Tier 2 operators to compete against domestic incumbents.

Developed Market telcos: Telecom operators are cutting capital expenditures despite the need for capacity expansion as smart phone usage is soaking up network capacity in metropolitan cities. We will also be looking out for the conclusion of spectrum auctions, regulatory overhangs, and potentially value destructive M&As.

We continue to favour Asia telecom operators the most, followed by the US, Europe and Japan. Asian telecom operators are still achieving double-digit subscriber growth amid fairly low penetration rates in markets such as India and Indonesia. We have also increased our exposure in other emerging growth markets in Latin America, Middle East and Africa. In the Developed markets, we favour companies whose cash returns to shareholders are attractive, through shareholder buybacks and high dividend payouts.

B) Investments at fair value and as a percentage of NAV as at 30 June 2009 under review classified by

i) Country

	Fair Value (S$)	% of NAV
Canada	1,433,199	3.81
China	2,898,416	7.71
Egypt	190,616	0.51
France	1,423,376	3.78
Germany	1,028,911	2.74
India	2,544,547	6.77
Indonesia	1,484,570	3.95
Japan	536,578	1.43
Malaysia	274,235	0.73
Mexico	3,199,137	8.51
Netherlands	1,711,756	4.55
Philippines	285,710	0.76
Russia	404,087	1.07
Singapore	873,140	2.32
South Africa	443,473	1.18
South Korea	217,452	0.58
Spain	3,958,572	10.53
Taiwan	562,262	1.49
United Kingdom	3,433,263	9.13
United States	9,188,290	24.43
Portfolio of investments	36,091,590	95.98
Other net assets	1,511,358	4.02
Total	**37,602,948**	**100.00**

ii) Industry

Telecommunication Services	36,091,590	95.98
Portfolio of investments	36,091,590	95.98
Other net assets	1,511,358	4.02
Total	**37,602,948**	**100.00**

iii) Asset Class

Equities	36,091,590	95.98
Other net assets	1,511,358	4.02
Total	**37,602,948**	**100.00**

iv) Credit rating of debt securities

N/A

C) Top Ten Holdings

The top 10 holdings as at 30 June 2009 and 30 June 2008

10 largest holdings at 30 June 2009

	Fair Value (S$)	Percentage of total net assets attributable to unitholders %
AT & T INC	**4,957,405**	**13.18**
TELEFONICA SA	**3,958,572**	**10.53**
VERIZON COMMUNICATIONS INC	**3,519,145**	**9.36**
VODAFONE GROUP PLC	**3,433,263**	**9.13**
AMERICA MOVIL- ADR SERIES L	**3,199,137**	**8.51**
CHINA MOBILE LIMITED	**2,898,416**	**7.71**
BHARTI AIRTEL LIMITED	**2,544,547**	**6.77**
KONINKLIJKE KPN NV	**1,711,756**	**4.55**
TELKOMUNIKASI INDONESIA PT	**1,484,570**	**3.95**
ROGERS COMMUNICATIONS - CLASS B	**1,433,199**	**3.81**

10 largest holdings at 30 June 2008

	Fair Value (S$)	Percentage of total net assets attributable to unitholders %
AT & T INC	6,708,647	13.85
VODAFONE GROUP PLC	4,954,764	10.23
TELEFONICA SA	4,774,043	9.85
VERIZON COMMUNICATIONS INC	4,185,696	8.64
AMERICA MOVIL- ADR SERIES L	4,089,960	8.44
CHINA MOBILE LIMITED	3,174,321	6.55
BHARTI AIRTEL LIMITED	2,308,372	4.76
ROGERS COMMUNICATIONS - CLASS B	2,039,629	4.21
KONINKLIJKE KPN NV	1,812,956	3.74
TELEKOM IND DMT	1,491,421	3.08

D) Exposure to derivatives

i) fair value of derivative contracts and as a percentage of NAV as at 30 June 2009

N/A

ii) net gains/(losses) on derivative contracts realised during the financial period ended 30 June 2009

N/A

iii) net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2009

N/A

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2009

N/A

F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2009

N/A

G) Amount of redemptions and subscriptions for the period 01 January 2009 to 30 June 2009

Total amount of redemptions	SGD	1,207,797
Total amount of subscriptions	SGD	106,532

H) The amount and terms of related-party transactions for the period 01 January 2009 to 30 June 2009

i) As at 30 June 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows :

Bank balances	SGD	20,434

ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2009

N/A

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

N/A

iv) As at 30 June 2009 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

I) Expense ratios

30 June 2009	2.08%
30 June 2008	2.04%

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

30 June 2009	1.14%
30 June 2008	21.46%

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 30 June 2009 and 30 June 2008

N/A

ii) expense ratios for the period ended 30 June 2009 and 30 June 2008. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

iii) turnover ratios for the period ended 30 June 2009 and 30 June 2008

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.*

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.

STATEMENT OF TOTAL RETURN
For the half year ended 30 June 2009 (un-audited)

	Notes	**30 June 2009 $**	30 June 2008 $
Income			
Dividends		**918,693**	993,441
Interest		**760**	1,716
		919,453	995,157
Less: Expenses			
Management fee	9	**293,214**	449,145
Trustee fee	9	**16,253**	23,956
Audit fee		**7,688**	6,164
Registrar fee	9	**7,984**	7,953
Valuation fee	9	**24,435**	37,429
Custody fee		**9,044**	16,614
Interest expenses		**-**	10
Other expenses		**11,307**	24,296
		369,925	565,567
Net income		**549,528**	429,590
Net gains or losses on value of investments			
Net realised (losses)/gains on investments		**(131,286)**	737,342
Net change in fair value on investments		**(337,923)**	(15,770,847)
Net foreign exchange (losses)/gains		**(6,449)**	37,769
Net losses on value of investments		**(475,658)**	(14,995,736)
Total return/(deficit) for the period before income tax		**73,870**	(14,566,146)
Less : Income tax	3	**(166,410)**	(194,380)
Total deficit for the period		**(92,540)**	(14,760,526)

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

BALANCE SHEET
As at 30 June 2009 (un-audited)

	Notes	30 June 2009 $	31 December 2008 $
ASSETS			
Portfolio of investments		**36,091,590**	36,091,330
Receivables	4	**162,965**	93,639
Cash and bank balances		**1,668,690**	2,798,472
Total Assets		**37,923,245**	38,983,441
LIABILITIES			
Payables	5	**320,297**	186,688
Net assets attributable to unitholders	6	**37,602,948**	38,796,753
Total Liabilities		**37,923,245**	38,983,441

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

PORTFOLIO STATEMENT
As at 30 June 2009 (un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Geography - Primary			
Quoted Equities			
CANADA			
ROGERS COMMUNICATIONS - CLASS B	38,500	**1,433,199**	**3.81**
CHINA			
CHINA MOBILE LIMITED	200,000	**2,898,416**	**7.71**
EGYPT			
ORASCOM TELECOM - GDR	5,000	**190,616**	**0.51**
FRANCE			
FRANCE TELECOM SA	43,400	**1,423,376**	**3.78**
GERMANY			
DEUTSCHE TELEKOM REG	60,300	**1,028,911**	**2.74**
INDIA			
BHARTI AIRTEL LIMITED	105,000	**2,544,547**	**6.77**
INDONESIA			
TELKOMUNIKASI INDONESIA PT	1,396,000	**1,484,570**	**3.95**
JAPAN			
KDDI CORPORATION	70	**536,578**	**1.43**
MALAYSIA			
DIGI.COM BERHAD	30,000	**274,235**	**0.73**
MEXICO			
AMERICA MOVIL- ADR SERIES L	57,100	**3,199,137**	**8.51**

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

PORTFOLIO STATEMENT
As at 30 June 2009 (un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Geography - Primary (continued)			
Quoted Equities			
NETHERLANDS			
KONINKLIJKE KPN NV	86,100	**1,711,756**	**4.55**
PHILIPPINES			
GLOBE TELECOM INC	10,000	**285,710**	**0.76**
RUSSIA			
MOBILE TELESYSTEMS-SP ADR	7,560	**404,087**	**1.07**
SINGAPORE			
SINGAPORE TELECOMMUNICATIONS LIMITED	293,000	**873,140**	**2.32**
SOUTH AFRICA			
MTN GROUP LIMITED	20,000	**443,473**	**1.18**
SOUTH KOREA			
SK TELECOM	1,100	**217,452**	**0.58**
SPAIN			
TELEFONICA SA	121,000	**3,958,572**	**10.53**
TAIWAN			
TAIWAN MOBILE CO LTD	228,013	**562,262**	**1.49**
UNITED KINGDOM			
VODAFONE GROUP PLC	1,229,000	**3,433,263**	**9.13**

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

PORTFOLIO STATEMENT
As at 30 June 2009 (un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Geography - Primary (continued)			
Quoted Equities			
UNITED STATES			
AMERICAN TOWER CORP - CLASS A	11,800	538,492	1.43
AT & T INC	138,000	4,957,405	13.18
METROPCS COMMUNICATIONS INC	9,000	173,248	0.46
VERIZON COMMUNICATIONS INC	79,200	3,519,145	9.36
TOTAL UNITED STATES		**9,188,290**	**24.43**
Portfolio of investments		**36,091,590**	**95.98**
Other net assets		**1,511,358**	**4.02**
Net assets attributable to unitholders		**37,602,948**	**100.00**

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

PORTFOLIO STATEMENT
As at 30 June 2009 (un-audited)

	Percentage of total net assets attributable to unitholders at 30 June 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
By Geography - Primary (Summary)		
Quoted Equities		
Canada	**3.81**	4.24
China	**7.71**	7.46
Egypt	**0.51**	0.50
France	**3.78**	4.00
Germany	**2.74**	3.34
India	**6.77**	5.52
Indonesia	**3.95**	3.26
Japan	**1.43**	2.20
Malaysia	**0.73**	0.68
Mexico	**8.51**	6.56
Netherlands	**4.55**	4.61
Philippines	**0.76**	0.29
Russia	**1.07**	0.75
Singapore	**2.32**	1.92
South Africa	**1.18**	0.44
South Korea	**0.58**	1.15
Spain	**10.53**	9.89
Taiwan	**1.49**	1.24
United Kingdom	**9.13**	9.12
United States	**24.43**	25.86
Portfolio of investments	**95.98**	93.03
Other net assets	**4.02**	6.97
Net assets attributable to unitholders	**100.00**	100.00

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

PORTFOLIO STATEMENT
As at 30 June 2009 (un-audited)

	Fair value at 30 June 2009 $	**Percentage of total net assets attributable to unitholders at 30 June 2009 %**	Percentage of total net assets attributable to unitholders at 31 December 2008 %
By Industry - Secondary			
Quoted Equities			
Telecommunication Services	**36,091,590**	**95.98**	93.03
Portfolio of investments	**36,091,590**	**95.98**	93.03
Other net assets	**1,511,358**	**4.02**	6.97
Net assets attributable to unitholders	**37,602,948**	**100.00**	100.00

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

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

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

1. General

United Global Telecoms Fund (the "Fund") is a unit trust constituted by a Trust Deed dated 28 June 1999 between UOB Asset Management Limited (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 to invest in securities engaged in the development, production or distribution of communications services or equipment in any part of the world.

2. Significant accounting policies

(a) Basis of accounting

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

The financial statements are expressed in Singapore dollars.

(b) Recognition of income

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

(c) Investments

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

(i) *Initial recognition*

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

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (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.

The performance of the Fund is measured and reported to the investors in Singapore dollars. The Manager considers the Singapore dollars as the currency of the primary economic environment in which the Fund operates. The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

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

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (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.

3. Income tax

	30 June 2009 $	30 June 2008 $
Overseas income tax	**166,410**	194,380

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.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

4. Receivables

	30 June 2009 $	31 December 2008 $
Amount due from unitholders	**200**	3,380
Dividend receivable	**162,765**	90,259
	162,965	93,639

5. Payables

	30 June 2009 $	31 December 2008 $
Amount due to unitholders	**151,349**	3,888
Amount due to Manager	**150,834**	157,539
Amount due to Trustee	**7,702**	8,025
Other creditors and accrued expenses	**10,412**	17,236
	320,297	186,688

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

6. Net assets attributable to unitholders

	30 June 2009 $	31 December 2008 $
At the beginning of the financial period/year	**38,796,753**	68,108,091
Operations		
Change in net assets attributable to unitholders resulting from operations	**(92,540)**	(22,851,522)
Unitholders' contributions/(withdrawals)		
Creation of units	**106,532**	230,952
Cancellation of units	**(1,207,797)**	(6,690,768)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	**(1,101,265)**	(6,459,816)
Total decrease in net assets attributable to unitholders	**(1,193,805)**	(29,311,338)
At the end of the financial period/year	**37,602,948**	38,796,753
Units in issue (Note 7)	**58,521,818**	60,300,932
	$	$
Net assets attributable to unitholders per unit	**0.64**	0.64

7. Units in issue

	30 June 2009	31 December 2008
Units at beginning of the period/year	**60,300,932**	68,209,918
Units created	**173,183**	282,362
Units cancelled	**(1,952,297)**	(8,191,348)
Units at end of the period/year	**58,521,818**	60,300,932

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

8. **Financial risk management**

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

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

(a) Market risk

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

(i) Foreign exchange risk

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

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (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 30 June 2009

	SGD $	USD $	EUR $	Others $	Total $
Assets					
Portfolio of investments	873,140	12,982,130	8,122,615	14,113,705	**36,091,590**
Receivables	200		-	162,765	**162,965**
Cash and bank balances	1,543,235	71,716	52,865	874	**1,668,690**
Total Assets	**2,416,575**	**13,053,846**	**8,175,480**	**14,277,344**	**37,923,245**
Liabilities					
Payables	320,297	-	-	-	**320,297**
Net assets attributable to unitholders	37,602,948	-	-	-	**37,602,948**
Total Liabilities	**37,923,245**	**-**	**-**	**-**	**37,923,245**
Net currency exposure	**(35,506,670)**	**13,053,846**	**8,175,480**	**14,277,344**	

As at 31 December 2008

	SGD $	USD $	EUR $	Others $	Total $
Assets					
Portfolio of investments	747,150	13,060,802	8,475,137	13,808,241	36,091,330
Receivables	19,788	-	-	73,851	93,639
Cash and bank balances	2,700,847	78,789	-	18,836	2,798,472
Total Assets	3,467,785	13,139,591	8,475,137	13,900,928	38,983,441
Liabilities					
Payables	186,688	-	-	-	186,688
Net assets attributable to unitholders	38,796,753	-	-	-	38,796,753
Total Liabilities	38,983,441	-	-	-	38,983,441
Net currency exposure	(35,515,656)	13,139,591	8,475,137	13,900,928	

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

8. 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 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 of non-monetary investments, hence currency risk sensitivity analysis has not been performed on the remaining financial assets.

(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 30 June 2009 and 31 December 2008. 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 components	**30 June 2009**		31 December 2008	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	$	**%**	$	%
MSCI ACWI Telecoms	**7,434,868**	**20**	4,258,777	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.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

8. Financial risk management (continued)

(b) Liquidity risk

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

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

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

As at 30 June 2009

	Less than 3 months $	**3 months to 1 year $**	**1-5 years $**	**Above 5 years $**
Payables	**320,297**	**-**	**-**	**-**
Net assets attributable to unitholders	**37,602,948**	**-**	**-**	**-**

As at 31 December 2008

	Less than 3 months $	3 months to 1 year $	1-5 years $	Above 5 years $
Payables	186,688	-	-	-
Net assets attributable to unitholders	38,796,753	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

8. Financial risk management (continued)

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on 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 Investment Manager.

The table below summarizes the credit rating of banks in which the Fund's assets are held as at 30 June 2009 and 31 December 2008.

As at 30 June 2009

	Amount	**Credit rating**	**Source of credit rating**
	$		
Bank			
State Street Bank & Trust Co.	**1,648,256**	**B**	**Moody's**
United Overseas Bank Limited	**20,434**	**B**	**Moody's**

As at 31 December 2008

	Amount	Credit rating	Source of credit rating
	$		
Bank			
State Street Bank & Trust Co.	2,792,435	B+	Moody's
United Overseas Bank Limited	6,037	B	Moody's

All investments are held in custody with State Street Bank & Trust Co., whose credit rating assigned by Moody's at 30 June 2009 is B (31 December 2008: B+). 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.

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

9. Related party transactions

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

Management and valuation fees are paid to the Manager, while trustee fee is paid to the Trustee and the registrar fee is paid to HSBC Securities Services (Transfer Agency) Pte Ltd, a subsidiary of HSBC Holdings Plc. 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:

	30 June 2009 $	31 December 2008 $
United Overseas Bank Limited		
Bank balances	**20,434**	6,037

(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 follow:

	30 June 2009 $	30 June 2008 $
Bank charges	**30**	39
Interest expense	**-**	10

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (un-audited)

10. Financial ratios

	30 June 2009	30 June 2008
Expense ratio [1]	**2.08%**	2.04%
Turnover ratio [2]	**1.14%**	21.46%

[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".*