



United Gold & General Fund

Semi Annual Report

for the period 1st July to
31st December 2009

United Gold & General Fund

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

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

OPERATIONS ADDRESS

80 Raffles Place

#06-00, UOB Plaza 2

Singapore 048624

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT

Terence Ong Sea Eng

Yeo Eng Cheong

Thio Boon Kiat

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited

21 Collyer Quay

#14-01, HSBC Building

Singapore 049320

AUDITORS

PricewaterhouseCoopers LLP

8 Cross Street

#17-00, PWC Building

Singapore 048424

SOLICITORS TO THE MANAGER

Allen & Gledhill LLP

One Marina Boulevard

#28-00

Singapore 018989

SOLICITORS TO THE TRUSTEE

Shook Lin & Bok LLP

1 Robinson Road

#18-00, AIA Tower

Singapore 048542

United Gold & General Fund

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

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 28 July 1995 Ann Comp Ret
United Gold & General Fund	4.49	22.92	53.67	9.49	17.25	15.36	5.28
Benchmark	6.38	22.06	47.16	7.52	13.39	14.02	7.20

Source: Lipper, a Thomson Reuters Company, Bloomberg

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: Since inception – Jan 97: 100% FT Gold Mines; Feb 97 – June 01: 75% MSCI Gold Mines, 25% MSCI Metals Non-Ferrous; July 01 – Present: 70% FT Gold, 30% HSBC GM.

For the half year ended 31 December 2009, the unit price of the Fund **increased by 22.9%** on a net asset value basis. This compares to a 22.1% gain by the composite benchmark index (70% FT Gold Mines Index & 30% HSBC Global Mining Index), in Singapore dollar terms.

On an individual basis, the FT Gold Mines Index rose by 14.7% for the half year, compared to a 38.3% gain by the HSBC Global Mining Index. By comparison, physical gold increased by 14.9% in Singapore dollar terms. The Fund held an overweight position in gold equities relative to the composite benchmark index for the majority of the reporting period.

As at 31 December 2009, the Fund held 68% in gold equities, 19% in general mining equities, 6% in energy equities and 7% in cash. In terms of country allocation, the Fund was invested 35% in Canada, 31% in the US, 16% in Australia, 4% in South Africa, 4% in Brazil, 3% in other countries and held 7% cash.

Market Review

Physical gold began the period under review at US\$927/oz and ended the calendar year at US\$1,097/oz, an increase of 18.3% in US dollar terms. After initially strengthening to the US\$950/oz in late summer, the gold price successfully broke through the important US\$1,000/oz resistance level in September 2009. The next important catalyst for the gold price was the Reserve Bank of India's announcement on 3 November 2009 that it had purchased 200 tonnes of gold from the IMF at an approximate price of US\$1,045/oz. This announcement pushed gold to a new high of US\$1,216/oz on 2 December 2009, before investors took profits ahead of the year end.

India's purchase raised the possibility that another central bank – perhaps China - could make an en-bloc acquisition of the remaining 203 tonnes of gold that the IMF has approved for sale. Such central bank purchases of gold confirm gold's status as a store of value and an 'alternative currency'. The changing attitude towards physical gold by central banks also represents an important structural shift in the gold market, given that gold sales by central banks have represented over 10% of annual supply in recent years.

United Gold & General Fund

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

Central bank gold purchases characterise the shift in the demand of gold from jewellery buying towards investment-related buying. Gold Exchange Traded Funds (ETFs) have continued to grow, increasing to 1,854 tonnes (+6.0%) over the reporting period. There has also been increased interest in the COMEX gold futures markets, with long gold positions increasing to 1,127 tonnes (+34.9%) over the same period. Strong future interest has a positive influence on the spot market given the larger trading quantity size in the futures market and the potential for actual physical delivery upon contract expiry.

While financial markets have recovered from the instability evident in the second half of 2008, investors remain concerned about the inflationary effects of the low interest rate policy and large budget deficits adopted by the US and other national governments to engineer a recovery. We believe the gold price has benefited as a portfolio diversification tool given its historically low correlation with other financial assets, such as stocks and bonds.

The Fund provides exposure to over 30 gold companies that vary in production size but which typically offer attractive production growth profiles over the coming 2-3 years. The Fund retained its exposure to large producers such as **Barrick Gold, Goldcorp** and **Newmont Mining**. These three companies represent a significant portion of the gold equity universe by market capitalisation, and are often the first companies to benefit from fund inflows into the sector. The Fund also benefited from its investment in mid-size and junior gold producers with **lamgold Corporation, Jaguar Mining, Medusa Mining**, and **Sino Gold** being leading performance contributors. While M&A activity was relatively muted over the reporting period, Sino Gold's acquisition by Eldorado illustrated the generally lower valuations of Australian-listed gold producers in comparison to their North American peers.

The HSBC Global Mining Index rose by 38.3% in Singapore dollar terms during the period under review, supported by rising spot prices for a wide range of commodities. There was a reduction in deflation concerns over the course of the reporting period as policymakers continued to reaffirm their support of the global economy. Improved market sentiment led many commodity companies to raise capital and reduce over-leveraged balance sheets. The Fund benefited from its holdings in base metal and bulk commodity companies such as **BHP Billiton, Freeport McMoRan** and **Cia Vale do Rio Doce**.

Oil & gas prices strengthened along with other commodity prices, with strong OPEC production discipline enabling inventory levels to fall +from multi-year highs. Within energy equities, the Fund is positioned in E&P companies such as **Tullow Oil** that should benefit from reserve growth and potential M&A interest, irrespective of energy price movements. The Fund also positioned itself for the typical year-end seasonal recovery in US gas prices by investing in **Southwestern Energy**.

In the last 6 months, new additions to our portfolio included **Avoca Resources, Golden Star, Paladin Energy, Silverlake Resources, Royal Gold** and **Verenex Energy**. We also increased our exposure to **Barrick Gold, Goldcorp, Jaguar Mining, Lihir Gold** and **Newmont Mining**.

United Gold & General Fund

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

Outlook and Strategy

The Fund believes the outlook for physical gold and gold equities remains positive given: 1) The continuation of low interest rate policies and government stimulus measures in the US and other countries; 2) Positive structural changes in the gold market stemming from increased investment demand; 3) Increased M&A activity; 4) Support from the current marginal cash cost of gold production; and 5) The relatively small size of gold-related assets relative to global investment flows.

Exceptional economic stimulus measures produced a strong recovery in 2009, for both the emerging economies and OECD countries. Yet policy makers in the United States and elsewhere are sensitive to Japan's experience in the 1990s, where the early withdrawal of policy stimulus is perceived to have caused a "double dip" recession. For this reason, US interest rates and monetary policy can be expected to remain loose throughout 2010, stimulating economic activity and bringing back some inflationary pressure. We believe this will be positive for commodity prices generally and for gold in particular, given its perceived role as a protection against inflation.

Investment demand is likely to be the main driver for gold in the coming period, replacing the traditional dominance of jewellery demand. We expect central banks to be a neutral influence on supply and demand, but note the possibility of further significant official gold purchases by China, India or other emerging economies may tip the balance. Aggregate Gold ETF holdings surpassed 1,850 tonnes by end-December 2009, and should easily surpass 2,000 tonnes in the coming year. Gold remains a small asset class in relation to the market value of global stocks and bonds, and any surge in official or private investment demand is likely to produce a positive reaction in the physical gold price.

The majority of listed gold companies start the year in a strong financial position, with high operating margins and debt-free balance sheets. Cash positions are likely to be strengthened further as full year and first quarter results are announced. For this reason, M&A activity in the gold sector is likely to increase, and the Fund will continue to position itself in mid-size and junior producers that we believe to be good acquisition targets.

In recent years, lower ore grades at existing mines and difficult operating conditions at many new mines have resulted in falling aggregate gold production and higher industry costs. We expect the same factors to continue to exert upward cost pressure. The marginal cash cost of production is now estimated to be above US\$1,000/oz, before additional costs associated with exploration and general operating expenses. It is unlikely the gold price will fall below its marginal cost of production for a sustained period of time.

The Fund is expected to maintain a marginally underweight position in general mining equities relative to our benchmark. Our preference is towards the leading diversified mining companies that are well-capitalised and which have sizeable exposure to bulk commodities. We will continue to have Exploration & Production companies within the energy sector. Energy is a leading percentage of operating cost for all mining companies, and having some exposure to energy companies provides portfolio protection in the event of an escalation in energy prices.

As ever, we note that the performances of gold-backed assets – and of commodities generally - are typically volatile, and investors should expect both sharp rallies and corrections. Such corrections should be viewed as good buying opportunities given expectations of continued low interest rates and a recovering global economy.

United Gold & General Fund

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

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

i) Country

	Fair Value (\$)	% of NAV
Australia	35,680,288	15.54
Brazil	8,145,718	3.55
Canada	80,794,032	35.19
China	2,683,312	1.17
Russia	1,933,941	0.84
South Africa	8,665,356	3.77
United Kingdom	3,497,674	1.52
United States	71,630,091	31.20
Portfolio of investments	213,030,412	92.78
Other net assets	16,584,409	7.22
Total	229,614,821	100.00

ii) Industry

Energy	13,867,630	6.04
Materials	199,162,782	86.74
Portfolio of investments	213,030,412	92.78
Other net assets	16,584,409	7.22
Total	229,614,821	100.00

iii) Asset Class

Equities	213,030,412	92.78
Other net assets	16,584,409	7.22
Total	229,614,821	100.00

iv) Credit rating of debt securities

N/A

United Gold & General Fund

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

C) Top Ten Holdings

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

10 largest holdings at 31 December 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BARRICK GOLD CORPORATION	25,432,273	11.08
NEWMONT MINING CORPORATION (NEW)	18,929,949	8.24
GOLDCORP INC	15,766,868	6.87
AGNICO-EAGLE MINES	9,146,870	3.98
CIA VALE DO RIO DOCE - ADR	8,145,718	3.55
YAMANA GOLD INC	7,995,023	3.48
FRANCO-NEVADA CORPORATION	7,512,911	3.27
MEDUSA MINING LIMITED	7,045,545	3.07
IAMGOLD CORPORATION	6,616,986	2.88
ROYAL GOLD INC	6,608,393	2.88

10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
BARRICK GOLD CORPORATION	15,862,658	13.30
GOLDCORP INC	12,759,128	10.70
YAMANA GOLD INC	8,227,855	6.90
AGNICO-EAGLE MINES LIMITED	7,757,829	6.50
NEWMONT MINING CORPORATION (NEW)	7,623,008	6.39
KINROSS GOLD CORPORATION	6,797,026	5.70
LIHIR GOLD LIMITED	5,574,925	4.67
NEWCREST MINING LIMITED	4,972,230	4.17
IAMGOLD CORPORATION	4,695,129	3.94
PAN AMERICAN SILVER CORPORATION	4,426,983	3.71

United Gold & General Fund

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

D) Exposure to derivatives

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

N/A

- ii) There was a net gain of SGD 277,910 on derivative contracts realised during the financial period ended 31 December 2009

- iii) net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2009

N/A

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

N/A

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

N/A

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

Total amount of redemptions	SGD 132,434,299
Total amount of subscriptions	SGD 160,943,398

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

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

United Overseas Bank Limited

Bank balances SGD 3,493,677

HSBC Group

Bank balances SGD 4,165,202

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

Affiliated Companies	No. of Units	Unit Price SGD	Market Value SGD
a) OSK-UOB Gold And General Fund	13,394,552.88	2.070	27,726,724.46

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

N/A

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

United Gold & General Fund

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

I) Expense ratios

31 December 2009	1.83%
31 December 2008	1.91%

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

J) Turnover ratios

31 December 2009	45.86%
31 December 2008	49.55%

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

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

N/A

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

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

N/A

- ii) expense ratios for the period ended 31 December 2009 and 31 December 2008. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

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

N/A

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

United Gold & General Fund

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

M) Soft dollar commissions/arrangements

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

United Gold & General Fund

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

STATEMENTS OF TOTAL RETURN

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

	Notes	31 December 2009 \$	31 December 2008 \$
Income			
Dividends		637,829	705,533
Interest		367	5,612
		638,196	711,145
Less: Expenses			
Management fee	10	1,600,517	1,037,390
Trustee fee	10	60,091	41,320
Audit fee		6,478	5,568
Registrar fee	10	142,200	85,509
Custody fee		25,894	49,710
Interest expenses		7,409	11,017
Other expenses		20,004	50,424
		1,862,593	1,280,938
Net loss		(1,224,397)	(569,793)
Net gains or losses on value of investments			
Net realised gain/(loss) on investments		22,985,629	(6,219,261)
Net change in fair value on investments		19,864,768	(72,237,057)
Net realised gain on financial derivatives		277,910	-
Net foreign exchange loss		(129,839)	(132,350)
Net gain/(loss) on value of investments		42,998,468	(78,588,668)
Total return/(deficit) for the period before tax		41,774,071	(79,158,461)
Less : Income tax	3	(104,545)	(100,140)
Less : Capital gain tax		(35,302)	(7,446)
Total return/(deficit) for the period		41,634,224	(79,266,047)

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

United Gold & General Fund

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

BALANCE SHEET

As at 31 December 2009 (Un-audited)

	Notes	31 December 2009 \$	30 June 2009 \$
ASSETS			
Portfolio of investments		213,030,412	153,158,783
Receivables	5	4,060,779	3,201,358
Cash and bank balances	4	15,658,879	9,108,186
Total Assets		232,750,070	165,468,327
LIABILITIES			
Purchases awaiting settlement		-	4,220,985
Payables	6	3,135,249	1,775,844
Net assets attributable to unitholders	7	229,614,821	159,471,498
Total Liabilities		232,750,070	165,468,327

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

United Gold & General Fund

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

PORTFOLIO STATEMENT

As at 31 December 2009 (Un-audited)

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary Quoted Equities			
AUSTRALIA			
AQUARIUS PLATINUM LIMITED	170,390	1,581,291	0.69
ATLAS IRON LIMITED	1,000,000	2,380,081	1.04
AVOCA RESOURCES LIMITED	1,000,000	2,272,756	0.99
BHP BILLITON LIMITED	90,000	4,895,517	2.13
ENERGY RESOURCES OF AUSTRALIA LIMITED	60,000	1,806,841	0.79
GOLD ONE INTERNATIONAL LTD	1,173,743	459,425	0.20
LIHIR GOLD LIMITED	1,500,000	6,212,201	2.70
MEDUSA MINING LIMITED	1,500,000	7,045,545	3.07
NEWCREST MINING LIMITED	100,000	4,460,916	1.94
PALADIN RESOURCES LIMITED	700,000	3,694,492	1.61
YTC RESOURCES LIMITED	3,000,000	871,223	0.38
TOTAL AUSTRALIA		35,680,288	15.54
BRAZIL			
CIA VALE DO RIO DOCE - ADR	200,000	8,145,718	3.55
CANADA			
AGNICO-EAGLE MINES	120,333	9,146,870	3.98
AGNICO-EAGLE MINES LIMITED	20,000	1,515,985	0.66
ALAMOS GOLD INC	150,000	2,511,000	1.09
CAMECO CORPORATION	50,000	2,261,239	0.99
CAPSTONE MINING CORP	400,000	1,505,260	0.66
CENTERRA GOLD INC	100,000	1,430,265	0.62
FIRST URANIUM CORPORATION	200,000	607,997	0.26
FRANCO-NEVADA CORPORATION	200,000	7,512,911	3.27
GOLDCORP INC	285,000	15,766,868	6.87
IAMGOLD CORPORATION	300,000	6,616,986	2.88
JAGUAR MINING INC	280,000	4,379,719	1.91
KINROSS GOLD CORPORATION	250,000	6,471,683	2.82
NEW GOLD INC	500,000	2,531,088	1.10
PAN AMERICAN SILVER CORPORATION	180,111	6,018,231	2.62
RED BACK MINING INC	100,000	1,988,712	0.87
THOMPSON CREEK METALS CO INC	135,000	2,223,741	0.97
ULTRA PETROLEUM CORPORATION	4,435	310,454	0.14
YAMANA GOLD INC	500,000	7,995,023	3.48
TOTAL CANADA		80,794,032	35.19

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

United Gold & General Fund

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

PORTFOLIO STATEMENT

As at 31 December 2009 (Un-audited)

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary (continued)			
Quoted Equities			
CHINA			
ZIJIN MINING GROUP CO LIMITED	2,000,000	2,683,312	1.17
RUSSIA			
POLYUS GOLD - ADR	50,000	1,933,941	0.84
SOUTH AFRICA			
ANGLOGOLD ASHANTI LIMITED	100,000	5,805,502	2.53
HARMONY GOLD MINING	200,000	2,859,854	1.24
TOTAL SOUTH AFRICA		8,665,356	3.77
UNITED KINGDOM			
BHP BILLITON PLC	25,000	1,130,750	0.49
TULLOW OIL PLC	80,000	2,366,924	1.03
TOTAL UNITED KINGDOM		3,497,674	1.52
UNITED STATES			
BARRICK GOLD CORPORATION	460,000	25,432,273	11.08
COMPANIA DE MINAS BUENAVENTURA	60,000	2,810,989	1.23
COMPASS MINERALS INTERNATIONAL INC	50,000	4,716,570	2.05
FREEMONT-MCMORAN COPPER & GOLD	50,000	5,636,157	2.46
NEWMONT MINING CORPORATION (NEW)	285,000	18,929,949	8.24
ROYAL GOLD INC	100,000	6,608,393	2.88
SCHLUMBERGER	45,000	4,112,240	1.79
SOUTHWESTERN ENERGY COMPANY	50,000	3,383,520	1.47
TOTAL UNITED STATES		71,630,091	31.20
Portfolio of investments		213,030,412	92.78
Other net assets		16,584,409	7.22
Net assets attributable to unitholders		229,614,821	100.00

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

United Gold & General Fund

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

PORTFOLIO STATEMENT

As at 31 December 2009 (Un-audited)

	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Geography - Primary (Summary) Quoted Equities		
Australia	15.54	17.86
Brazil	3.55	0.19
Canada	35.19	45.11
China	1.17	1.64
Russia	0.84	0.94
Singapore	-	2.19
South Africa	3.77	3.41
United Kingdom	1.52	1.67
United States	31.20	23.03
Portfolio of investments	92.78	96.04
Other net assets	7.22	3.96
Net assets attributable to unitholders	100.00	100.00

	Fair value at 31 December 2009 S\$	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Industry - Secondary Quoted Equities			
Energy	13,867,630	6.04	6.40
Materials	199,162,782	86.74	89.64
Portfolio of investments	213,030,412	92.78	96.04
Other net assets	16,584,409	7.22	3.96
Net assets attributable to unitholders	229,614,821	100.00	100.00

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

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

1. General

United Gold & General Fund (the “Fund”) is a Singapore registered trust fund constituted by a Trust Deed dated 1 June 1995 between UOB Asset Management Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The primary activity is that of investment trading. The main objective of the Fund is to achieve returns on investment mainly in (i) securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals or base metals of all kinds, and the mining or extraction of oil, gas or other minerals, and (ii) to the extent permitted by any applicable law, regulations, guidelines or codes any precious metals or base metals (including, but not limited to gold and silver) or any physical commodities (including but not limited to oil and gas) and including spot contracts, and other authorised investments.

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.

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

2. Significant accounting policies (continued)

(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 sale of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

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

(e) Foreign currency translation

(i) *Functional and presentation currency*

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

The performance of the Fund is measured and reported to the investors in Singapore dollars. The Manager considers 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 Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

2. Significant accounting policies (continued)

(f) Expenses charged to the Fund

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

3. Income tax

	31 December 2009	31 December 2008
	\$	\$
Overseas income tax	104,545	100,140

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.

4. Cash and bank balances

	31 December 2009	30 June 2009
	\$	\$
Cash at bank	7,658,879	9,108,186
Fixed deposit with a financial institution	8,000,000	-
	15,658,879	9,108,186

The weighted average effective interest rate of the fixed deposits with the financial institution as at 31 December 2009 is 0.13% per annum (30 June 2009: Nil), with a maturity date of within 6 days (30 June 2009: Nil) from the balance sheet date.

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

5. Receivables

	31 December 2009	30 June 2009
	\$	\$
Amount due from unitholders	3,993,937	3,151,830
Dividend receivable	43,235	19,241
Interest receivable	57	-
Other receivable	23,550	30,287
	4,060,779	3,201,358

6. Payables

	31 December 2009	30 June 2009
	\$	\$
Amount due to unitholders	1,941,422	864,559
Amount due to Manager	1,082,658	827,408
Amount due to Trustee	31,178	21,543
Other creditors and accrued expenses	79,991	62,334
	3,135,249	1,775,844

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

7. Net assets attributable to unitholders

	31 December 2009	30 June 2009
	\$	\$
At the beginning of the financial period/year	159,471,498	193,988,222
Operations		
Change in net assets attributable to unitholders resulting from operations	41,634,224	(48,250,376)
Unitholders' contributions/(withdrawals)		
Creation of units	160,943,398	80,883,347
Cancellation of units	(132,434,299)	(67,149,695)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	28,509,099	13,733,652
Total increase/(decrease) in net assets attributable to unitholders	70,143,323	(34,516,724)
At the end of the financial period/year	229,614,821	159,471,498
Units in issue (Note 8)	111,101,284	94,784,922
	\$	\$
Net assets attributable to unitholders per unit	2.07	1.68

8. Units in issue

	31 December 2009	30 June 2009
Units at beginning of the period/year	94,784,922	86,612,330
Units created	80,676,270	52,579,478
Units cancelled	(64,359,908)	(44,406,886)
Units at end of the period/year	111,101,284	94,784,922

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. 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.

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

As at 31 December 2009

	AUD	CAD	SGD	USD	Others	Total
	\$	\$	\$	\$	\$	\$
Assets						
Portfolio of investments	35,680,288	72,949,362	-	89,554,420	14,846,342	213,030,412
Receivables	-	9,372	1,884,965	2,166,442	-	4,060,779
Cash and bank balances	24,324	33,213	11,494,710	4,100,640	5,992	15,658,879
Total Assets	35,704,612	72,991,947	13,379,675	95,821,502	14,852,334	232,750,070
Liabilities						
Payables	254	45	1,813,491	1,321,459	-	3,135,249
Net assets attributable to unitholders	-	-	229,614,821	-	-	229,614,821
Total Liabilities	254	45	231,428,312	1,321,459	-	232,750,070
Net currency exposure	35,704,358	72,991,902	(218,048,637)	94,500,043	14,852,334	

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 30 June 2009

	AUD \$	CAD \$	SGD \$	USD \$	Others \$	Total \$
Assets						
Portfolio of investments	28,488,258	65,395,813	3,500,000	44,766,440	11,008,272	153,158,783
Receivables	-	8,135	1,592,739	1,570,197	30,287	3,201,358
Cash and bank balances	44,881	15,420	6,552,438	2,437,023	58,424	9,108,186
Total Assets	28,533,139	65,419,368	11,645,177	48,773,660	11,096,983	165,468,327
Liabilities						
Purchases awaiting settlement	610,166	-	-	-	3,610,819	4,220,985
Payables	293	106	1,185,496	589,901	48	1,775,844
Net assets attributable to unitholders	-	-	159,471,498	-	-	159,471,498
Total Liabilities	610,459	106	160,656,994	589,901	3,610,867	165,468,327
Net currency exposure	27,922,680	65,419,262	(149,011,817)	48,183,759	7,486,116	

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

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

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

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to unitholders at 31 December 2009 and 30 June 2009. The analysis is based on the assumption that the index components within the benchmark increased/ decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the historical correlation with the index.

Benchmark components	31 December 2009		30 June 2009	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
70% FT Gold, 30% HSBC GM	52,405,481	30	41,352,871	30

(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.

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

(b) Liquidity risk

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

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

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. Financial risk management (continued)

(b) Liquidity risk (continued)

The table below analyses 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 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	3,135,249	-	-	-
Net assets attributable to unitholders	229,614,821	-	-	-

As at 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Purchases awaiting settlement	4,220,985	-	-	-
Payables	1,775,844	-	-	-
Net assets attributable to unitholders	159,471,498	-	-	-

(c) Credit risk

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

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

9. Financial risk management (continued)

(c) Credit risk (continued)

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

As at 31 December 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
HSBC Group	B+	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
HSBC Group	B+	Moody's

As at 30 June 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
HSBC Group	B+	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
HSBC Group	B+	Moody's

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

(d) Capital management

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

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

10. Related party transactions

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

Management fee is 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 the related parties:

	31 December 2009	30 June 2009
	\$	\$
<u>United Overseas Bank Limited</u>		
Bank balances	3,493,677	6,432,150
<u>HSBC Group</u>		
Bank balances	4,165,202	2,676,036

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

	31 December 2009	31 December 2008
	\$	\$
<u>United Overseas Bank Limited</u>		
Interest income	-	23
Bank charges	110	30
Interest expenses	227	563
<u>HSBC Group</u>		
Interest income	-	3,733
Bank charges	54	114
Interest expenses	7,182	10,454

United Gold & General Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

11. Financial ratios

	31 December 2009	31 December 2008
Expense ratio ¹	1.83%	1.91%
Turnover ratio ²	45.86%	49.55%

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 Gold & General Fund

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

This page has been intentionally left blank.

